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No. R-41

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario



**Standing Committee on Resources Development**  
Estimates, Ministry of Industry and Trade

**Fourth Session, 32nd Parliament**  
Wednesday, November 28, 1984

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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Published by the Legislative Assembly of Ontario  
Editor of Debates: Peter Brannan

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, November 28, 1984

The committee met at 10:08 a.m. in room 228.

**Mr. Chairman:** I call the meeting to order. Before we begin, Mr. Foulds.

### DEATH OF MEMBER FOR RIVERDALE

**Mr. Foulds:** Mr. Chairman, I would like to bring to the attention of the committee that our good friend and colleague, Jim Renwick, the member for Riverdale, died last night. We will all miss him, particularly in this caucus. Jim was not only a superb parliamentarian and legislator, he was also one of those people who, either at a caucus meeting or in the Legislature, because of the particular qualities of his mind, could make order out of chaos.

If we could spend a moment of silence in tribute to Jim. He, of all people, would want the Legislature to continue its business, because he was committed to the parliamentary process. However, I think a moment of silence would be appropriate.

**Mr. Chairman:** A moment of silence on behalf of our colleague, Jim Renwick.

**Hon. F. S. Miller:** Mr. Chairman, I am sure the Premier (Mr. Davis) will say something on behalf of Mr. Renwick. I have been here 13 years. He was here at least four, and maybe even eight more years than myself.

**Mr. Foulds:** Jim had been at the Legislature since 1963.

**Hon. F. S. Miller:** Since 1963.

There are very few of us in the House who can claim to be parliamentarians. Jim, Bob Nixon and Bob Welch come to mind as people who love, study and emulate the tradition of Parliament and ensure that it is enshrined in the minds of those who are less creatures of the House than they are, or were, in Jim's case.

I remember a Hansard reporter telling me that there was only one member of the House whose English never needed to be corrected grammatically, and that was Jim Renwick, because he spoke in perfect sentences. This is a tribute to the man's ability to articulate his point of view.

More important, to those of us who worked in the House—you know your colleagues better as a back-bencher than when you are a minister—the friendship Jim showed, partisan matters aside, was always a pleasant experience, an experience

that left fond memories, long before his final illness. We are always richer when people like Jim Renwick decide to give up lucrative practices, which he did, to become parliamentarians, and devote their legal skills to ensuring that the laws of the land are fair.

I have always been guided by people like Jim, and a few of our other fine parliamentarians, when it comes to understanding the way a law has been written and its possible impact. This was one of Jim's major contributions. Another was his finely tuned understanding of how the world should unfold. We will all miss him.

### ESTIMATES, MINISTRY OF INDUSTRY AND TRADE (concluded)

**Mr. Chairman:** We shall now carry on with the estimates. We were dealing with vote 2302. I think Mr. O'Neil had some comments regarding the small business aspect of this vote.

**Mr. O'Neil:** Vote 2303, item 2.

**Hon. F. S. Miller:** Whichever part you wanted, sir.

**Mr. Chairman:** I am sorry, vote 2303.

**Mr. O'Neil:** Could you give me a brief explanation as to the workings of the Ontario International Corp.?

**Hon. F. S. Miller:** By good luck—

**Mr. O'Neil:** You just happen to have that.

**Mr. Foulds:** Before we proceed, I believe we did not pass vote 2302.

**Mr. Chairman:** I think that is what we are discussing. You wanted to hold things up on vote 2302.

**Hon. F. S. Miller:** No, the whole of vote 2302 was passed last week.

**Mr. Foulds:** No.

**Hon. F. S. Miller:** Vote 2302 is the Ontario Development Corp.

**Mr. O'Neil:** We are discussing item 2 of vote 2303.

**Mr. Chairman:** Excuse me, vote 2304 was passed last week. That is the Ontario Development Corp.

**Hon. F. S. Miller:** I am sorry, you are right. It was vote 2304.



**Mr. Chairman:** We were on vote 2302 last night, which is the industry program.

**Hon. F. S. Miller:** You are right. It is vote 2303; all of it.

**Mr. Foulds:** I am happy to pass vote 2302, but I think—

**Mr. Chairman:** No, Mr. O'Neil had a comment on that one.

**Mr. O'Neil:** We are talking about vote 2303, item 2.

**Hon. F. S. Miller:** Wait a second now; it is vote 2302, item 3.

**Mr. Chairman:** No, vote 2302 is what we were discussing last night. This is the one I wanted to carry, but you said you had a comment to make.

**Hon. F. S. Miller:** We are now going on to vote 2303, which is trade.

**Mr. Foulds:** I am happy to do this, but before we do, we should first pass vote 2302.

**Hon. F. S. Miller:** We have not passed vote 2302.

**Mr. Chairman:** We have not passed vote 2302. That is correct.

**Mr. O'Neil:** We are finished with vote 2302, and there is no problem.

Vote 2302 agreed to.

On vote 2303, trade program:

**Hon. F. S. Miller:** Mr. Allanson, do you wish to take a seat up here? First, I would like to introduce the assistant deputy minister of trade, Mr. Philip Allanson, to the members of the committee. Mr. Allanson came on staff five months ago, I believe, but I lose track of time these days.

**Mr. Allanson:** It was four months, it just seems like five.

**Hon. F. S. Miller:** In any case, we are ready for your questions.

**Mr. Chairman:** We will deal with this program in its entirety.

**Mr. O'Neil:** Could you briefly explain the realignment of the ministry approved by Management Board, and the \$378,000 increase?

**Mr. Allanson:** Which particular program is that, Mr. O'Neil?

**Mr. O'Neil:** I understood that there was a ministry realignment. It is noted under program administration.

**Mr. Allanson:** That is correct. The realignment in question involved the establishment of a market research group, which has been attached

to the trade division. This group consists of five people who are responsible for preparing trade statistics and researching various markets.

This research enables us to identify target markets and pick the most appropriate product sectors within these markets. A trade planning group was also set up. This is part of our program to create a trade plan for the whole trade division, and eventually for each of its components. The three-person planning division has just been moved to a central planning group. At the time of these estimates, however, it was part of the trade division.

**Mr. O'Neil:** How are these changes working out?

**Mr. Allanson:** Very well. The five-year trade plan provides us with the discipline of specific numerical targets; a detailed strategy for the division. This strategy and the targets are broken down for each of the international offices and for each of the branches within Queen's Park. I believe this approach is being used as a model for the rest of the Ministry of Industry and Trade.

**Mr. O'Neil:** I had other questions concerning the export success fund. Where does it stand now? Is it successful? Could you provide some background?

**Hon. F. S. Miller:** This is probably one of the most successful, if not the most successful program within the trade division during the past year. It started in about August 1983 with \$1 million budgeted for the balance of the 1983 fiscal year. I forget whether we originally budgeted \$1 million for this year.

**Mr. Allanson:** It was \$4 million.

**Hon. F. S. Miller:** Four million originally?

**Mr. Allanson:** Yes.

**Hon. F. S. Miller:** We keep pushing our limits on this. In other words, the demand from small business continues to be very brisk. The people who use the program are very pleased with it. The program is aimed at developing four aspects of foreign trade, from exploring a market to adapting a product for that market.

It goes up to \$35,000 gross per company, per year. The sum total of all four components cannot exceed \$35,000 per company, per year. It could easily spend twice its budget if the money were available.

We believe it is one of the reasons we have been successful in interesting small corporations in foreign trade markets. Our cash gave them enough of an incentive to put up their own money, enabling them to explore these markets.

**Mr. O'Neil:** You say the maximum is \$35,000.

**Hon. F. S. Miller:** Yes. They do not have to select all four parts of the program. They can choose any one. There is a limit on each part. There also is a cumulative limit.

**Mr. O'Neil:** What is that limit?

**Hon. F. S. Miller:** In total, \$35,000.

**Mr. O'Neil:** The cumulative limit?

**Hon. F. S. Miller:** Yes. One part has a \$5,000 limit—I am not sure—another part has a fairly high limit. If you only need to adapt a product, for example, you could put a fair amount of your money into this part of the program. You do not have to take the other parts.

**Mr. O'Neil:** Is this money being spread evenly throughout the province?

**Hon. F. S. Miller:** I would have to turn to my staff for the answer to that question.

**Mr. Allanson:** The bulk of it, inevitably, goes to the industrial heartland, which tends to be located in the southwest part of the province. We have also received a sprinkling of applicants from the north. For example, we just reviewed and approved 13 requests from the following ridings: Algoma, Algoma-Manitoulin, Cochrane North, Cochrane South, Fort William, Grey-Bruce, Kenora, Lake Nipigon, Nickel Belt, Nipissing, Port Arthur, Rainy River, Sault Ste. Marie, Sudbury, Sudbury East and Timiskaming.

**Mr. O'Neil:** Eastern Ontario?

10:20 a.m.

**Mr. Allanson:** I do not have the numbers for eastern Ontario. We have had more requests from the east than from the north. In eastern Ontario we are fortunate to have the Ottawa Silicon Valley development. Typically it is the smaller companies which need this kind of help. We are providing significant help in this area.

**Mr. O'Neil:** What types of firms are you finding?

**Mr. Allanson:** There is an enormous variety, all the way from small giftware to computer software. I have been astonished at the variety.

The other encouraging thing is that, as you know, the program is aimed at small business. We did an analysis of the first X number of successful applicants and it turned out that 43 per cent employed between one and 20 employees. By the way, the limit is 100 employees.

A further 23 per cent were in the range of 21 to 40 employees. In other words, 66 per cent or two thirds were small companies with under 40

employees, so we are really managing to find those small businesses that most need this kind of help.

**Mr. Foulds:** Can I ask a quick supplementary there? Is your definition of small business for this program a maximum of 100 employees?

**Mr. Allanson:** This program has 100 as a cap. If you are able to persuade the appropriate people, we would love to see it extended to 200 employees, because we know there is a need there too.

The main focus of this program is to help with those startup costs when one is beginning to go into export—the costs of researching the market, of modifying the product to fit the requirements and so on. Those initial costs are burdensome for the small company if, in the last two years, they had not accumulated any cash. They see plenty of opportunities for profit and for a good return on investment, but they do not have the \$50,000 to do it, even though the return will be very profitable. This helps to get them over that initial hurdle.

**Mr. Foulds:** You found the easiest definition was the number of employees rather than the cash flow or the amount of capital?

**Mr. Allanson:** Yes.

**Hon. F. S. Miller:** Mr. Chairman, could the deputy have a second word and then have your question? I wanted him to bring out some statistics to show what is happening on this. I think they are of use to you as members.

**Mr. MacDonell:** Phil, I would like you to correct me if my figures are not exactly right. The objective here is not only to help these firms go abroad, but to make a good return to the Treasurer (Mr. Grossman) so that through this activity we will be able to augment the Treasurer's revenue, which is very important.

Of the 600 companies that have applied, 500 have been accepted and about 100 of those or 20 per cent are first-time exporters; that is, they never exported before.

**Mr. Foulds:** How many are first-time exporters?

**Mr. MacDonell:** There are 100 first-time exporters, or 20 per cent of the total.

If you look at the return, we are going to spend about \$5.5 million this year. This is a heavy drain on the Treasury, but then when we look at the income taxes paid by the firms on the incremental business, we find we get a return on the investment within the first 24 months of \$3 to the Treasurer for every dollar he expended.



Not only are we creating employment by this activity, we are getting an excellent profit return. When you are in the private sector and you can get your money back in two years, you are pretty happy about it, let alone three times your initial investment. A two-year payback is considered top.

Here we have a triple return or something like a six-month payback and so we are very excited about helping firms that help themselves and at the same time get this kind of return.

Of course, it has a direct effect on employment, so there are two key issues here—employment first, to get people back to work, because when a firm begins to grow with its export business, it simply has to put on a second shift sooner or later or it cannot handle the growth. We have some good examples of that.

The second thing is this excellent return. The Legislature can be sure this money is being well spent.

**Hon. F. S. Miller:** Just to digress for a second, it will come up and you may ask a question, but we also have another program that has been more successful than we thought it would be when the Board of Industrial Leadership and Development first announced it. That program was for assistance to small businesses to hire an apprentice in export sales. There is a special title for it which now escapes me.

**Mr. Chairman:** Is it "intern"?

**Hon. F. S. Miller:** Intern, yes.

We were looking back—and my statistics may be wrong again; ministers do not always see figures often enough. It seems to me that we asked those first 29 to review their companies and I think they showed \$32 million for their sales in their first short while.

Those young people have been hired by small companies that previously perhaps were not paying enough attention to export sales. This program is paying half the salary to encourage the companies to hire a young person to direct attention just at exporting. That is already producing enough sales to justify their position.

What we had to do in these kinds of cases was to make companies that were cash poor make an investment they had been reluctant to make, both in product development through the export success fund and in manpower through the intern program.

**Mr. G. I. Miller:** Mr. Chairman, to what market does the biggest percentage of Ontario's products go?

**Mr. Allanson:** The United States takes 88 per cent of Ontario's exports at the present time.

**Mr. MacDonell:** Only 70 per cent of the export success fund goes to the United States. To our delight and surprise, they have gone all over the world, to places not as rich as the rest of the province; that is, not to the easiest market first. Some of them have gone to Singapore and Saudi Arabia. Little firms that had never dreamed of it or could hardly find the places on the map have contracts in those countries.

**Hon. F. S. Miller:** That fact lies behind the statistics we just gave you. Of the 500 that were approved, only 100 were first-time exporters; the other 400 had at least exported to some market before. The most likely market for an existing exporter to develop is the American market.

Our export success fund will normally only help a company to go into a market it is not already in. I think that is one of the criteria. In doing that, one might direct a company that has already explored the United States to be looking at England, Japan or wherever. That is why one would have a better success rate with respect to where the sales go than with the overall marketing.

**Mr. G. I. Miller:** Do you have any statistics on the agricultural end of the marketing?

**Hon. F. S. Miller:** Our ministry has helped the agricultural people, but I guess we let the Ministry of Agriculture and Food be in charge of that part, so that is best asked of that ministry.

**Mr. G. I. Miller:** With the shortage of food in Africa, is there a role the ministry can play? It could give great assistance.

**Hon. F. S. Miller:** The trouble is that is not necessarily paid-for food. I think that is slightly different.

In other words, we are looking for customers in the normal commercial sense. We are not looking for customers who require international aid. If international aid provides dollars, obviously we have an interest.

Our history is good that way. When we last had a problem in Africa, you may remember that we had a split white bean crop that we directed to that market instead of a cash market. At times, we do that kind of thing.

Do you want us to send some tobacco? Would that help your area?

**Mr. G. I. Miller:** I am thinking of potatoes, for example. I noticed Prince Edward Island has 10,000 tons of potatoes it is trying to market. I suspect the tobacco area is a pretty good potato-growing area too.

**Hon. F. S. Miller:** The trouble is, and this has come up often, one of the criticisms we have had



of food in place of dollars for international assistance has been that we sometimes send products the people do not normally eat, and therein lies a major social problem. For example, people cannot digest the dry powdered milk or whatever that we ship. We cannot solve our problems that way. We have to take into account what they usually buy.

By the way, I might say since I am now talking to you—and you would have no specific interest in Haldimand-Norfolk—I was there masquerading as you in your riding the other night.

**Mr. G. I. Miller:** Were you in Simcoe?

**Hon. F. S. Miller:** I was in Simcoe and they all thought it was your bus that was in town, for your information, but it was not.

Given that, I think you should be aware, since we work together on these matters, that I made a commitment to the tobacco marketing group that we would look very hard at ways and means of helping it sell surplus Ontario tobacco, flue cured tobacco, around the world.

The Ministry of Agriculture and Food and ourselves have promised to intensify our efforts to try to penetrate some markets or increase our share of, say, the Japanese market, which it is claimed could by itself take the Canadian surplus.

**10:30 a.m.**

**Mr. G. I. Miller:** I appreciate that and support it 100 per cent. I would like to see it extended to give a little more assistance to our industry, which is really down in the dumps. Agriculture may just be coming into its own in feeding a world that is hungry and looking for food. We have the tools to work with. I have always felt the Ministry of Industry and Trade could play an expanding role in this field.

That is encouraging, and we will keep urging the minister to do just that.

**Mr. Allanson:** Mr. Chairman, I would like to add, if I may, that we are co-operating with the Ministry of Agriculture and Food. As a specific example, I just returned a few weeks ago from our Frankfurt office, where I had met a businessman from your area. Our office there had found him an agent and had identified a particular market segment for a custom-blended pipe tobacco. This man had signed an agreement with the agent with our help, and he got an initial order of somewhere close to \$1 million. That is one example.

Our London office and our New York office are both working with the Ministry of Agriculture and Food on special food promotions. For

one week in each case a whole series of hotels were featuring Ontario food products. In fact, even some products that did not come from Canada were given Canadian names briefly, but primarily it was Ontario food products that were being sold.

I am sure you will be interested to know that for the first nine months of this year our exports from Ontario of food and beverages are up 16 per cent to \$1.1 billion, so we are having some success and we are working with Agriculture and Food.

**Mr. G. I. Miller:** How about farm machinery?

**Mr. Allanson:** Farm machinery, as you know, is a more difficult problem. We certainly are exporting farm machinery. Our international offices do some work in that area, but we tend more to help the small to medium-sized companies, whereas the agricultural machinery companies tend to be very large and have their own international marketing groups.

Yesterday, for example, in reviewing our intent to make a major push in China we identified small-sized agricultural machinery as a target sector, and we intend to locate Ontario manufacturers of suitable equipment. As you know, in China the paddies tend to be small, as in Japan, and they use sort of mini-sized equipment. We shall be looking at that opportunity as we open up in China.

**Mr. G. I. Miller:** Again, I think there are small producers, like the small manufacturer who makes the terrace ditcher, as one example in our area. In the Kitchener area there are a lot of small manufacturers of various farm implements.

With International Harvester now being sold to Case, it really puts a different light on the overall industry. That name may very well be going down the drain, and there may be room for the smaller machinery manufacturers to take advantage of the market. Perhaps more emphasis could be put in that direction.

**Mr. Allanson:** It will be, particularly in southeast Asia.

**Mr. O'Neil:** To follow up what the member for Haldimand-Norfolk has just mentioned, you have just handed us this brochure on the Ontario International Corp. I was quite interested in the deputy's comments to the Seneca Association, where he had mentioned that for every dollar the Italians invest in foreign aid they get back \$3.50; France, Germany, Japan and the United King-

dom also do well in this area. But for every dollar Canada invests abroad we get back 73 cents.

You were mentioning that one of the goals of the Ontario International Corp. is to do something about that, and I suppose it could be worked in with the comments of the member for Haldimand-Norfolk about trying to improve the amount we get back.

**Hon. F. S. Miller:** Yes. Let us give classic examples. We were in Indonesia last year on a trade mission and we took along with us tobacco machinery manufacturers, people who could give advice on flue curing, equipment for flue curing, the harvesting equipment, etc. That would not be the kind of thing we are talking about, but it was specific as to the kind of industry he was talking about.

Mr. Litzzen, who just sat at the table beside Mr. Allanson, is the new president of the Ontario International Corp., another face you should become familiar with. The corporation's basic job is to try to get a better return wherever Canada lays out aid money to Canadian companies.

Indonesia is a good case. I guess Indonesia leads the list in getting aid from Canada. Very often we find somebody else winning the contract to supply steel or to supply pipe for a project that basically was paid for with Canadian tax dollars.

**Mr. O'Neil:** How do you do that? How do you make sure?

**Hon. F. S. Miller:** That is where we need the federal government's help a little bit because, after all, that is federal aid and it needs to be tied into Mr. Litzzen's efforts. Let him explain what we might do.

**Mr. MacDonell:** Mr. Litzzen, perhaps you should explain how you identify the market, how you link it to your several hundred consulting engineering firms, how you measure your performance and how you know whether we are making any progress at all. First, how big is the market for capital projects around the world each year?

**Mr. Litzzen:** We are talking of roughly \$110 billion. In practical terms, we should be talking about what Ontario can address and that is roughly \$36 billion, eliminating some of the construction that is done locally in places like the Middle East and Indonesia.

If you want to look at a consortium, when we find projects financed through, for example, the World Bank or any other international financing agency, we put it through a series of questions. Whether or not somebody else is already there;

whether the feasibility study has been done by the Germans or the Italians or the Japanese; whether there is a program with some other country. A number of other questions have to be asked. Provided we think it can be competitive, we can then put together a consortium of Ontario companies.

Let me give you an example in the case of a thermal plant for India which is, at this point, two 500-megawatt units. It represents approximately 25,000 man-years of work for Ontario. The areas involved are Cambridge, Scarborough and St. Catharines. These three areas would provide the equipment and the services required for this turnkey type project.

The financing for the project would have to come through some self-loan funding out of Ottawa—we have already been working with Mr. Kelleher and his associates in that regard—and also through the Export Development Corp.

We, in turn, have been providing the assistance in the early portions by providing air fare for these people to go over originally to find the project and to get the details of the project. When they come back, we assist them with their promotional materials. We have, in turn, also been going to Ottawa with them to inform Ottawa of our interests.

We believe we now have letters of comfort going to the Indian authorities—

**Mr. Foulds:** Letters of what?

**Mr. Litzzen:** Letters of comfort. These comfort letters from the Export Development Corp. give the Indian authorities the comfort of knowing Canada is behind it and that they can carry on the negotiations with the private sector people. Does that answer your question?

**Mr. Foulds:** You did say a thermal plant?

**Mr. Litzzen:** A thermal power plant, yes.

**Mr. Foulds:** Coal-fired?

**Mr. Litzzen:** A coal-fired thermal power plant, yes.

**Hon. F. S. Miller:** Let me give you an example; examples come to mind. It does not necessarily cut the imbalance in dollars earned. Carlos Ott won the Paris Opera House contract as a Canadian, with the assistance of Ontario International Corp. It defrayed, by an up-front cash grant, some of the costs of entering the competition before the award was made.

It is my understanding, in a case where we think one of our consulting companies or architectural companies has a fighting chance to win, we will make an arrangement with them. If



they win they pay us back; if they lose, they do not.

I think that is our agreement, is it not, in that case?

**Mr. Littzen:** It is a forgivable loan arrangement through the export success fund.

**Mr. O'Neil:** It is repayable if they do get the contract?

**Mr. Littzen:** That is correct.

**Mr. O'Neil:** How much would you have advanced in that particular case?

**Mr. Littzen:** In the case of Carlos Ott?

**Mr. O'Neil:** Yes.

**Mr. Littzen:** I do not have the exact figure but I would say in the order of \$20,000.

10:40 a.m.

**Hon. F. S. Miller:** It is not an awful lot, but if an architect gets in, in some cases it leads to the second part of your question: can they specify Canadian content? You know very often if you are reading specifications for a subcontractor, you run into very clear definitions of what is acceptable on the job. That is very much a function of making sure you get your Canadian share.

**Mr. MacDonell:** How many consulting engineers and architectural firms do you have in Ontario in your client base?

**Mr. Littzen:** We are talking about roughly 50,000 engineers, for example, and that could be a client base, but we are really talking about approximately 400 to 450 firms. They range anywhere from the three-man or four-man outfit, right up to the 1,500-man outfit.

**Mr. O'Neil:** Let me ask you about some information I am looking for. If you become aware of a project, say, in Europe or Asia, where there could be Canadian content, how do you go about choosing someone or a group to look after that business? I am looking at spreading out the business over the province, not just confining it to certain areas, but so that eastern Ontario, northern Ontario, some of these areas, get some of the business.

**Mr. Littzen:** May I start out by saying we have gone to the associations in Toronto, the consulting engineers of Ontario as well as the architectural associations and the management consultants, and we have asked them how they would like to see this handled. We have said, "We would be delighted to turn these projects over to you and you can make the decision as to where they go."

They have said they do not want any part of that process. They say they prefer to have the Ontario International Corp. do that on a God-like basis, if you will. What we do is find the best possible firm we can that has the technical background and the capability to deal with the project. We are going to make mistakes. I do not doubt for a moment we are going to make mistakes.

**Mr. O'Neil:** If you go out and pick those you think are the best ones to handle it, there is always the chance you are going to pick the biggest firms. Do you make any allowance that some of that business has to be put out to some of the smaller firms across the province?

**Mr. Littzen:** Yes, one of our goals is to get more small firms into the export market. We, therefore, have to look at those firms to find out what they can do and we try to get them into the market. Basically, we first try to get them into consortia with larger firms so they will learn the market without being hurt too badly. We are spreading the wealth, if that is what you are asking.

**Mr. O'Neil:** If you give that business to a large company and say: "Here is the business. Will you look after it?" I think your mandate should be—and you may be doing this in part—to say that, rather than seeing all of that business concentrated in the city of Toronto or in a certain area, it should benefit different areas of Ontario.

We are talking about industry locating in different parts of the province. Here is a chance to make sure that business is distributed among some of the smaller manufacturers in different parts of the province. Do you have anything set up, or could you have, that would ensure that?

**Mr. Littzen:** We have been doing exactly what you say: We have our clients all the way from North Bay, through Ottawa, virtually all over the Ontario map. The only time manufacturers come into the Ontario International Corp.'s field of activity is when we are dealing with a capital project. At that time, we have to sit down with the major equipment manufacturers and ask them to bring the smaller groups in.

For example, if you are talking thermal plants, the boiler island, the boiler itself, is the basic unit, but boiler feed pumps and instrumentation and a number of other types of manufactured equipment come from various parts of the province and there again we make sure they are brought in.

**Mr. MacDonell:** In a project like that there would be hundreds of smaller companies feeding



everything from switches to coils into that sort of thing.

**Mr. Littzen:** Absolutely.

**Mr. MacDonell:** When you get a big one like that, the benefits could spread all over, but we do not follow the feeder plants. We do not keep a record of them.

**Mr. Littzen:** No, we do not. We do not have the staff or the ability to do that.

**Hon. F. S. Miller:** Can I pose a question you may want to ask? How much was your target this year for professional fees for Canadian consulting companies?

**Mr. Littzen:** Our total target was in the order of \$22 million. We have now exceeded that, to \$66.5 million.

**Hon. F. S. Miller:** The target in here was \$50 million by fiscal 1988-89. What are we going to do next year, Ken?

**Mr. Littzen:** It is a tough act to follow. We have a five-year plan and the five-year plan is dynamic. We hope that as we expand, the numbers will expand with us, but I cannot guarantee anything at this point.

**Mr. MacDonell:** At the end of the six months, Ken—or nine months if you are at \$66 million—we should be looking at \$100 million next year. Would you not think so?

**Mr. Littzen:** I do not think so.

**Mr. O'Neil:** We will hold you to that.

**Hon. F. S. Miller:** We had a good year; that is what we are saying. I think you already recognize that we did.

**Mr. O'Neil:** One other thing. Was there another committee of the Legislature looking at the Ontario International Corp.? Were there some recommendations made within the past week or two?

**Mr. Littzen:** Yes, exactly.

**Mr. O'Neil:** I wonder whether you could give me a few comments on that. I am not that familiar with the recommendations that were made.

**Mr. Littzen:** There were 11 recommendations. If you wish, I could go through them.

**Mr. O'Neil:** I do not think it is necessary that we hear them. I have not seen them and would like to have a copy. What are they basically saying?

**Mr. Littzen:** They are asking the Ontario International Corp. to expand its activities and to address various market conditions. We in turn have replied to those questions by way of saying that the answers are rather straightforward.

For example, they have asked us to get into the equipment area and we have said that we are in it, when it comes to a turnkey type project, consortiums, capital projects and that sort of thing.

**Hon. F. S. Miller:** I think the response to most of these recommendations was tabled on November 19, according to this. Is that correct?

**Mr. Littzen:** Yes.

**Mr. Chairman:** That was in the report on agencies, boards and commissions of the standing committee on procedural affairs.

**Hon. F. S. Miller:** The response is public, if you want to have a look at it.

**Mr. Allanson:** Excuse me, Minister. The response has not yet been tabled; the report has been tabled.

**Hon. F. S. Miller:** Sorry. The response is not tabled.

**Mr. Allanson:** These are just our briefing notes. Our full reply will be ready in—

**Hon. F. S. Miller:** I was reading that to say that the response was tabled the way it was—

**Mr. O'Neil:** I wonder whether I could get a copy of that response when you do compile it.

**Hon. F. S. Miller:** I guess I will have to wait until we table it, but certainly we are planning to respond. When we have it in final form, we will.

**Mr. O'Neil:** Were there any points brought up or discussed in regard to the actual working of this corporation where there was criticism?

**Mr. Littzen:** Not that I am aware of.

**Mr. O'Neil:** Was there any duplication?

**Mr. Littzen:** No.

**Hon. F. S. Miller:** The duplication question was tackled about a year or so ago when the Ontario Educational Services Corp. and the Ontario International Corp. became one.

**Mr. O'Neil:** Did that increase of \$835,000 have to do with that change in the reorganization—or what did that \$835,000 do; where did it go?

**Hon. F. S. Miller:** If I am not mistaken, it came out of the budget of the Ministry of Education and into our budget.

**Mr. Foulds:** Mr. Chairman, I have a couple of questions. Can you tell me how often the board of directors meets on a yearly basis?

**Mr. Littzen:** About four times a year.

**Mr. Foulds:** What responsibilities does it have?

**Mr. Littzen:** They are varied, but the board is responsible to the minister for the corporation's activity.

**Mr. Foulds:** Does it meet quarterly to review your activities or the activities of the corporation and the markets they are exploring?

**Mr. Littzen:** By and large, we present the board with reports that indicate the activity during the previous period. We also provide it with information with regard to the five-year plan and whatever other interests it may have.

**Mr. Foulds:** Do you have a five-year plan? That sounds sort of atypical of Ontario. Do you have an actual five-year plan at this point?

**Mr. Littzen:** Yes.

**Mr. Foulds:** Is that public?

**Mr. Littzen:** It has been presented briefly to the deputy minister and I guess we would have to ask him.

10:50 a.m.

**Mr. MacDonald:** The process is this, Mr. Foulds. Each major component of our ministry prepares a five-year plan once a year. It is reviewed by the minister, so he knows where we are going and how well we performed during the previous year. Those documents have never been sent out.

A good example would be the summary the minister has here of his trade plan. But those have been confidential because we would never want any other foreign country to see them. We have kept them within the ministry. Yes, we have five-year plans and we track our performance for the minister on a monthly basis against those plans.

For example, there is a report the minister would receive on the performance of the manufacturing side each month. Ken Littzen's report on his performance each month is consolidated on a monthly basis at the back of this report to the minister.

**Mr. Foulds:** As an opposition spokesman, it would seem to me there should be some way for us to get an evaluation, at least on an annual basis prior to the estimates, without betraying the confidentiality to foreign countries and competitors, which I understand. I am not picking on just your corporation, but on all of the corporations that fall under this ministry's mandate.

**Hon. F. S. Miller:** I do not see any big problem with that. There is one thing that comes to my mind. There is a summary which is the part I spend the most time on that really gives an added glimpse—the kind of glimpse most working members have to give to this—of what we are trying to do. It includes world trade outlook, objectives, strategy, summary of activities,

organization and budget. It is three pages long. The rest of it simply spells that out in more detail.

There is nothing in there which I would fear any of you seeing. If you needed the time to look at it, the best way to present it, in my opinion, would be to come in on your own time to our staff, sit down with them, and go over it. I see no problem with that. The staff can give you the executive summary and describe in detail how they are achieving their mandate. We do not want to lay our plans out, even to a sister province, as to how we are doing it.

**Mr. MacDonald:** That is right. We are very secretive about it.

The trade plan is more than 2,000 pages and has 22 binders, but we do have a 50-slide summary of this for the minister which we could review with you and which will give you everything you wish to see and hear, but it is organized with respect to markets, achievements and goals.

**Hon. F. S. Miller:** For example, under the summary of activities for the trade division this year, they will say 37 trade missions will go out. That does not say where they go, but it tells you we will attend 37 trade fairs. Ninety-six incoming buyers—that is, helping a country come into Canada to buy or a buyer from a foreign country—will be supported. Eighty solo missions—that is, one company going to a foreign customer where we believe it has a fighting chance—will be supported during the year.

New exporters developed: 50 was our target for the year. We want to see 50 companies enter exporting, which have never exported before.

We hope to see two export consortia. To some degree, that comes under your type of work; trying to get consortia together. Consortia is a bad word within Canada. It is accepted as an essential in the foreign marketplace. We are trying to make companies get away from the fear of antitrust legislation, which exists at home, in order to compete abroad.

We want to see 20 export managers for hire, if you know what that program is. An export manager for hire is usually a person who is in semi-retirement, has a lifetime of experience in exporting and whose salary we pay half of, up to \$4,000 a month, to work for a small company to develop an export program for them for so many months. It gives the companies the benefit of that experience without having had it.

Export success fund had its target as \$4 million. That is in the summary and it tells you what it is doing.



**Mr. Foulds:** What I would appreciate—and you cannot do it this year—is perhaps after the estimates, some time in the first two weeks of December, if I could review that.

**Hon. F. S. Miller:** Yes, sure. My attitude is the more you are informed, the less criticism I will get.

**Mr. Foulds:** Or the more informed criticism you will get.

**Mr. Chairman:** I wonder, Mr. Deputy, if we could not arrange—if the caucus would be interested in this—an in-camera session of the committee.

**Mr. MacDonell:** Yes. We have a spectacular presentation based on exactly this for the minister and for the private sector, which we would be delighted to show you.

**Mr. Foulds:** Maybe we could make arrangements to do that.

**Mr. MacDonell:** We are very proud of this trade effort. It is regarded as probably the best-managed trade support system in the country.

**Hon. F. S. Miller:** Indeed it is. It is not one of the best, it is the best. The federal government is salivating, wondering how it can copy it.

**Mr. G. I. Miller:** When Canagrex was brought into place, did you co-operate with it?

**Hon. F. S. Miller:** Personally, I did not. The deputy might have some information on Canagrex. I think that was more in Mr. Timbrell's field.

**Mr. MacDonell:** No, our trade division was not involved with Canagrex. I am not sure about Mr. Timbrell's involvement. I believe that the new federal government has decided to cancel it. However, I am not certain about that.

**Mr. G. I. Miller:** Did you consider it a useful tool when working with the federal government in export marketing?

**Mr. MacDonell:** We think we are doing a much better job by bringing the buyer and seller together, rather than getting into the business ourselves.

**Hon. F. S. Miller:** One of the things I am learning—and I stressed it in my opening comments—is that selling to a foreign country is just like selling a commodity in Canada.

I refer back to something which related to agricultural exports. The trip to Cuba in May, I think it was.

**Mr. MacDonell:** That is right.

**Hon. F. S. Miller:** We had a request from Cuba where they said, if they had \$50-million

worth of credit in Ontario, they would buy \$50-million worth of vegetables out of Canada—southwestern Ontario products: beans, etc.

**Mr. O'Neil:** Why southwestern Ontario?

**Hon. F. S. Miller:** I thought that was where all the beans came from.

**Mr. O'Neil:** There is corn and stuff like that. I would like you to keep in mind that you may be looking for a few votes in that area too.

**Hon. F. S. Miller:** I was talking to the member for the southwest at this point, and I got focused on that area.

**Mr. O'Neil:** I could tell. Why not rephrase it? Sorry, Gord.

**Hon. F. S. Miller:** I will rephrase that. Whether I like it or not, and whether you like it or not, most of the products the Cubans were looking at were those which grow west and south of London. They were into cash crops and they saw Canada as a good source. They were simply saying, "Help us establish that kind of credit with the government of Canada, and we will buy your product."

A part of that mission to Cuba which pleased me no end occurred after we returned to Canada. I had seen a lot more ministers than was predicted. Indeed, when I arrived, my staff was rather embarrassed when I was handed an agenda for the next three days which basically had me sunning on the beach, having one good lunch a day and having coffee with someone at night. It was not quite that bad, but it was close to it.

**Mr. McKessock:** You wanted more than one meal a day?

**Hon. F. S. Miller:** What it appeared to be happening was that the Cuban government was going to make me feel comfortable and try to keep me out of its hair. As it turned out, we ended up squeezing ministers into whatever time frame I had. They even interfered with an evening show, which I had to go to late. The minister who came to see me that night was responsible for some industrial divisions in the government. He made a promise to me that his government would do business with Canada.

About four weeks later, I was called to the Cuban consul general's home for a little dinner, in my honour. The chief purchasing agent for Cuba in Canada and three or four Cuban engineers who were returning home from a trip to Japan were present at this dinner. They had been diverted to Toronto by orders of this minister. They said they had been told that they were to buy street lighting equipment from an Ontario manufacturer.



**Mr. MacDonell:** This was a \$10-million contract.

**11 a.m.**

**Hon. F. S. Miller:** Just like that. I point out that this order came from one chance meeting with a minister in Cuba. A minister who had been impressed with the fact that he should do business in Ontario. So, I argue that the investment we make in these missions and the importance of political people on them cannot be overstressed.

What happens to the rest of the mission is they get the attention they would not otherwise have received. Their contacts are followed up better, particularly in these centrally-organized countries where the government is virtually in charge of everything. They do not have to be communist, but those where centralization of authority is very real.

We have lots of potential for market development like that. It is almost a crime that we, as politicians, do not have enough time to do more. I have to limit myself to between two and three missions a year which I personally can go on, so I am trying to spread it around among more ministers. They do not care whether it is the Ministry of Industry and Trade they are seeing; they just want a minister there.

**Mr. MacDonell:** You could not do any business in China without your political counterpart.

**Hon. F. S. Miller:** No, you cannot. You simply have to have the political counterpart.

**Mr. G. I. Miller:** I would like to make one final comment. We were down on a little Caribbean cruise, maybe three years ago—we cannot get away every year like the minister can, but we do have the opportunity—and on the docks in Jamaica were stacks of onions. If somebody takes us on a tour we have to kind of sniff on our own, like hunters. They were onions from Bradford marsh and it impressed me that a lot of little boats were coming in and loading them up to take them to other islands.

Being from a farm background I am interested in the agriculture industry, which does not get the recognition I feel it deserves, when it contributes something like \$5 billion to the overall economy of Ontario. Again, I think I can play a larger role in the very thing the minister is talking about; making those contacts. It opens up a broader area. We can get a better return today throughout the industry.

**Hon. F. S. Miller:** When I go on a mission, I try to stress agriculture if there is an interest in it.

We do work with the ministry on very specific, agriculturally oriented missions, but it has been agreed, to prevent duplication—as we talked about a while back—that our ministry remain the key trade ministry, so we are involved in and aware of the efforts made by those other ministries in foreign sales.

You are right; I think the food and food processing industry in Ontario is our number one industry. It has the largest number of employees and the highest value of output of any industrial sector in Ontario.

**Mr. McKessock:** A supplementary on that point about agriculture: It is great to be able to export a lot, but recently there have been more imports here in the red meat industry than there should be. What role do you take to see that these are limited, as well as—

**Hon. F. S. Miller:** I do not deal personally with that at all. You would have to ask the Minister of Agriculture and Food (Mr. Timbrell) about that.

**Mr. McKessock:** Recently, the meat imports from the European common market are greatly exceeding those of other years. It is great to try to push everything we can on the export market, but if it keeps coming back in on boats the other way, we are not gaining too much.

**Hon. F. S. Miller:** On the other hand, if you believe in free access of trade, as long as the product is fairly priced, we do not have too much to argue about. If we get to wine, we have a different issue. If we get to a number of products—I should not have touched that one, should I?

**Mr. Foulds:** I think you did very well on that. You would make a pretty good opposition member.

**Mr. McKessock:** All these agricultural products coming in from the European common market, or the European countries, are not fairly priced. They are very highly subsidized. There is no way they can be fairly priced when we look at the subsidization they are getting.

**Hon. F. S. Miller:** There are mechanisms under the international General Agreement on Tariffs and Trade for attacking that, but you are quite right, there is no industry in the world where local rules dominate as much as they do in food.

**Mr. O'Neil:** What is our total trade deficit right now in Ontario—

**Hon. F. S. Miller:** It is a surplus.

**Mr. O'Neil:** Is it a surplus now?

**Hon. F. S. Miller:** Yes. I am going to give you a figure, but I think it is wrong; there was a \$2.9-billion surplus or something, in the last month I saw.

**Mr. McKessock:** What exports are you talking about?

**Hon. F. S. Miller:** He asked what the net balance of trade was for Ontario. It is a surplus.

**Mr. O'Neil:** Is there a surplus for agriculture?

**Hon. F. S. Miller:** No, in total. All trades.

**Mr. MacDonald:** Ontario runs a deficit.

**Hon. F. S. Miller:** And I just said we have a surplus; there must be one.

Interjections.

**Mr. MacDonald:** Let me explain this.

**Mr. McKessock:** I would like to hear an explanation.

**Hon. F. S. Miller:** I think at this point, so would I.

**Mr. MacDonald:** Canada is running a surplus—

**Hon. F. S. Miller:** This is why he is Deputy Minister of Industry and Trade.

**Mr. Foulds:** So far.

**Mr. MacDonald:** —because of its enormous shipments of food from the west, coal and other commodities. Ontario has a deficit because it is the largest market for automobiles and for the—

**Mr. O'Neil:** What is it? About \$9 billion?

**Hon. F. S. Miller:** I have to get my figures.

**Mr. MacDonald:** We forecast that by the end of 1985 it will be about \$9 billion. This is because the market is so open and our demand for consumer electronics, automobiles and so forth from places like Japan affects this province so much. So while Canada as a whole has a trade surplus, we have a deficit, and that is what we are working on.

**Mr. O'Neil:** Of about \$9 billion?

**Mr. MacDonald:** At the moment, because—

**Mr. Allanson:** There is a \$3.5-billion deficit for the first nine months of this year in Ontario.

**Mr. MacDonald:** The reason for this is that since 1981 we have had a sharp decline in our purchases abroad and a sharp increase in our exports. The forecast of \$9 billion by 1985 is not going to be as severe. If we just wait for a year or so, the minister might be right on this, because we are starting to deny all this.

**Mr. G. I. Miller:** He is going to be an old man by then.

**Hon. F. S. Miller:** He is just starting to lose his confidence.

**Mr. MacDonald:** This is a very easy thing to do. We have such a large surplus nationally, that sometimes we forget that some provinces have surpluses, and some do not.

**Hon. F. S. Miller:** I am looking for a figure, and trying to find out where I was misled.

**Mr. O'Neil:** Do you want us to wait, or should we go ahead?

**Hon. F. S. Miller:** It may take the rest of the day.

**Mr. McKessock:** I can see where we could have a deficit when it comes to automobiles, but I do not think we should have a deficit in agricultural products, because we are a high-producing province in this product area.

**Hon. F. S. Miller:** I do not know what the figures are on agriculture.

**Mr. MacDonald:** I think Canada has a very large surplus.

**Mr. McKessock:** Canada has, I realize that.

**Mr. MacDonald:** But because we do not have so much wheat, we could have a deficit. We will find that out for you.

**Hon. F. S. Miller:** Food and beverage exports in the first nine months of 1984 increased by 16 per cent over the same period in 1983.

**Mr. McKessock:** Those percentages do not mean anything. Sure, it is great to increase your exports, but when you see your imports increasing as well, that is a counterbalance. I wanted to mention a bit about agriculture—

**Mr. Chairman:** Let us not dwell on agriculture too much.

**Mr. McKessock:** I think it is important.

**Mr. Chairman:** Yes, but it does not really fall under these estimates.

**Mr. G. I. Miller:** Someone has to take care of this. We have a pavement farmer in charge.

**Hon. F. S. Miller:** Let me read into the record some of the statistics which misled me a minute ago.

In September 1984 Canadian exports were \$9.5 billion and Canadian imports were \$7.8 billion, leaving a trade surplus of \$1.7 billion. In the January to September period the trade surplus for all of Canada was \$11.6 billion. This is where I made an error, in recording Canadian as opposed to Ontario figures.

**Mr. McKessock:** I wish to talk about agriculture because I have not been completely satisfied with the performance of the Minister of Agriculture and Food. I am looking towards the next Premier of Ontario.

**Hon. F. S. Miller:** You certainly are looking at him.

**Mr. O'Neil:** Even if it will be for a very short time.

Interjections.

11:10 a.m.

**Mr. McKessock:** That is a good point, and it is the reason I am raising this issue at this time. Supposing you do become the next Premier. I want to make sure that you are well aware of the problems in agriculture. I think you are a good supporter of agriculture.

I cannot see why the problems that the red meat industry has been experiencing in Ontario for the last couple of years have not been more adequately taken care of by this government. The importance of agriculture and what it means to this province needs a strong acceptance by the Premier of Ontario.

I want to point out that I agree with the management programs the Minister of Agriculture and Food has brought in during the past year. They are good for management. But to go along with these programs there should have been a payout to the red meat industry, given that other provinces in Canada provide support.

**Mr. Chairman:** Please try to work into the Ministry of Trade and Industry estimates. This minister will be available in the Premier's estimates next year, but for these estimates it is Industry and Trade.

**Mr. McKessock:** I want to ensure that he has a good background as far as agriculture is concerned before becoming the next Premier.

I am not in favour of subsidies, but when other provinces are supporting their farmers, our farmers are placed in an uncompetitive situation when they do not receive similar support. I am not saying that we should subsidize, but if other provinces are going to use this angle, then there is no other alternative but for us to do the same.

I have a copy of a letter written to the Minister of Agriculture and Food.

**Mr. Chairman:** Mr. McKessock, I am sorry. We are getting off the track here. We do not have a lot of time left. We still have one more vote.

**Mr. McKessock:** Could I have 60 seconds?

**Mr. Chairman:** You can have 60 seconds. I will time you.

**Mr. McKessock:** The difference in cost between shipping 400 head of cattle in Saskatchewan as compared to shipping the same number in Ontario is \$68,000. We have to

compete with this kind of thing and it is not realistic.

I know ministers and governments are saying, "These subsidies are going to be cut off." Fine. But these other provinces have had a chance to get their machinery in shape and keep up to date on their capital expenses, whereas we will be going into this new era in a depressed state. We will find it awfully hard to catch up in the years to come.

**Mr. O'Neil:** With everyone talking about you being the Premier and getting everything straightened around next year, maybe we should just go on record as saying that after we form the government, we are going to take advantage of your experience and include you in any delegations we have next year.

I like to give a little of the other side. After 41 years, it will likely have to be a little bit of divine providence, but we will see what happens.

**Hon. F. S. Miller:** I sense perhaps you are just trying to get me to say we would do the same for you.

**Mr. O'Neil:** Not really.

**Mr. Foulds:** What I am trying to find out is if the record shows that the present holder of the Premier's office has done such a bad job.

**Hon. F. S. Miller:** You are not catching me on the record, any way, any how.

**Mr. McKessock:** Mr. Chairman, on a point of order: could I make one correction in the statement I made? I said Saskatchewan; I meant Manitoba.

**Hon. F. S. Miller:** That is understandable.

**Mr. McKessock:** I could have used Quebec or another province, but I want to be on record as saying Manitoba.

**Mr. O'Neil:** How is the board of directors appointed?

**Hon. F. S. Miller:** In effect, the minister recommends the appointment to cabinet.

**Mr. O'Neil:** How are they paid? On a per diem basis?

**Hon. F. S. Miller:** On a per diem, I understand. I do not know what the per diem is. I would guess about \$125.

**Mr. Littzen:** I believe it is \$150.

**Mr. O'Neil:** That is \$150 a day, plus expenses?

**Mr. Littzen:** Yes.

**Hon. F. S. Miller:** How many days a year do they meet?



**Mr. Litzzen:** Four times a year.

**Hon. F. S. Miller:** I would suggest, having looked at the people who are on that board, that most of them earn more than \$150 a day. So, in effect, their participation is a contribution towards helping us, rather than a source of income.

**Mr. O'Neil:** I have no further questions. I do however, have some questions pertaining to the international offices.

**Hon. F. S. Miller:** Please proceed.

**Mr. O'Neil:** As you know, there has been quite a bit of discussion lately concerning the possibility of the Canadian government closing down some of its consulates and offices abroad. What level of co-ordination exists between your ministry and the federal government to ensure that there is no duplication? In a way you are in competition with them because of the other provinces. How do you handle that?

**Hon. F. S. Miller:** We are not in competition with the federal government at all. I would see us as detail salesmen, in effect. We are dealing with very specific customers, on sales-oriented missions. They are the general planners who are represented in every country of the world whether we are there or not.

The government of Canada helps us greatly on our trade missions. There is hardly ever any more competition between us and them than there would be between two parts of the same ministry. In other words, it becomes a function sometimes of an individual in a particular office.

In the main, because Canada itself does not have enough resources for the trade requirements of the world in its foreign offices, they usually welcome our presence. They may see a trade mission to China as something of a problem for them in the sense that everybody is going to China these days and they may not have enough staff time to do the job as well as they would like in a country like that. In most countries, in Indonesia, for example, they stand on their heads to help make sure that both levels of government co-ordinate their activities.

When we take the gentlemen from the Canadian trade mission offices out to dinner or whatever, we hear a good deal of envy expressed at the data banks we have in Ontario and the information and assistance we are giving our people. They say we are light years ahead of them in our ability to pinpoint a producer in Ontario who could provide a product if it is needed, and that kind of information. So I find just the opposite to competition.

Second, where we do exist together—Hong Kong would be an example—the two offices work very closely together. The advice we would give, for example, to an immigrant entrepreneur coming into our office or considering coming to Ontario would be: "Go and talk to the Ontario official as well as the Canadian official. The Canadian official is the one who lets you in, but the Ontario official, once he is satisfied you are bringing something we need in Ontario, i.e. money and skill to create employment, will be your main advocate." We have become an advocate in that role rather than a competitor.

**Mr. O'Neil:** Going back to my original question, the point is they are closing offices and you are opening up offices. I can see how it is benefiting the province and how it is paying off, but I wonder if the rationale of the federal government, in doing what they are doing—

**Mr. MacDonell:** I could help on that, since I had a chance to listen to their views.

The federal government is only closing those offices they feel they cannot afford because the return on investment has been too small. As far as I know, they are not closing their offices in Paris, London or Tokyo, or any of those big offices. As far as they are concerned, it is really just a realignment of their priorities. Some of those markets have big expenses but no capital to buy anything.

**Mr. O'Neil:** They are not getting the returns that you mentioned the other day you are getting on these offices or trade missions.

**Mr. MacDonell:** That is right. As the minister said earlier, we have been talking to the federal government about managing the trade business in a businesslike way. This is a response to that. It is a good thing, because these offices can cost between \$5 million and \$7 million in a country where there may not be that amount of money to buy anything from Canada anyway. You really have to put your resources where you have a chance of getting the proper return.

**Hon. F. S. Miller:** Our choice of offices, both in the United States and the world, is very limited by budgetary restrictions. I think we could handily have offices in a number of other places. For example, we do not have one in the Middle East.

**Mr. O'Neil:** How many do you have now?

**Hon. F. S. Miller:** Eight, going on nine. Is that right? It is six outside the continental United States.

**Mr. MacDonell:** There are 14 in total, eight in the United States.

**Hon. F. S. Miller:** I was counting the one extra that we are contemplating. We have talked about creating one as soon as we can. That was Singapore.

**Mr. O'Neil:** I had a question on the unexplained New York office expenditure increase.

**Hon. F. S. Miller:** I think that was due to a move of theirs.

**Mr. MacDonell:** Yes. I can handle that, or Mr. Allanson.

**11:20 a.m.**

**Mr. Allanson:** The New York office is our largest office by far. It is by far Ontario's biggest market. We can sell virtually anything that Ontario produces in the New York area. So we have been expanding the New York operation. It outgrew its existing quarters and was moved to larger quarters about a year or so ago.

Of course, at the same time, we appointed an agent general, Mr. Dunlap. So it moved to larger quarters to accommodate the extra business we are coping with. The way accounts work, the income from the sublet of the old property unfortunately does not get credited to us, so now we are paying two leases, in effect.

**Mr. O'Neil:** In other words, you could not expand where you were at all?

**Mr. Allanson:** No, there was a shortage of space. Space in New York is very difficult to find, and we had a long search. I think it took us three months to find this larger space, which is very good and adequate.

**Hon. F. S. Miller:** Of our other United States offices, I think two relate to New York City.

**Mr. Allanson:** They do. There are two satellites.

**Mr. MacDonell:** They are satellite offices of the New York office.

**Mr. O'Neil:** How many people do you have in the New York office?

**Mr. Allanson:** Let me explain that in the case of a large office, like that in New York, we occasionally have other people, such as Tourism people and, occasionally, Agriculture and Food people. But on our own payroll in New York we have 14, including the agent general.

**Mr. O'Neil:** What sort of budget do you have for running that office?

**Mr. Allanson:** It is of the order of \$1 million.

Incidentally, concerning the return on the international offices in total for this year so far, our international offices have assisted new export sales of about \$145 million, against an expenditure of under \$5 million, so we are getting a sales

assist ratio of about 29 to one. If you then look at the return to the Treasury, so far this year we have returned to the Treasury about \$4.35 for each dollar of international office expense.

**Mr. MacDonell:** Let us stay with the member for Quinte's question about New York. You are going to spend about \$1 million on people and space to promote Ontario's exports. For your budget for this year you would have to deliver, starting on January 1 to the end of the year, \$70 million, I think.

**Mr. Allanson:** A little over \$70 million, yes.

**Mr. MacDonell:** So we are looking for \$70 million added to the industrial base for a \$1-million investment each year.

**Hon. F. S. Miller:** Again, let me go back to that favourite statement every time we talk about jobs. If 20 jobs are created for every \$1-million worth of sales, and if we have added \$70 million, 20 times 70 is 1,400 jobs. I think that is something we ought to keep equating. I do not know another country in the world—

**Mr. O'Neil:** I respect your answer and I tend to agree with it; you are creating jobs. I questioned that just to find out what the cost is. It is good to have that relationship to jobs.

**Hon. F. S. Miller:** Yes, but in our assessment of the efficiency of an office abroad we are counting only the current year's new sales. We are not allowing anything for the sales that were initiated last year and are repeated this year. They cannot count those in the figures, as I recall.

**Mr. Allanson:** That is correct.

**Hon. F. S. Miller:** If that is the case, then, very often the hardest sale is the first sale, since that is the one we are tracking, and we are allowing only for that. I guess we could follow through with the other sales; it would be hard, though, and probably not particularly productive.

If you can make first sales that generate this kind of revenue, we hope there is an accumulation of results that adds jobs too.

**Mr. O'Neil:** Concerning the 14 employees in the New York office, are they Canadians or do you hire locals?

**Mr. Allanson:** In New York we have three Canadians. The agent general, of course, is from Ontario, as are the senior rep and one other rep. That number is unusually large. In other offices we might have two Canadians.

We always have one Ontario person in an office, of course, but we hire people locally because the locally employed people have their



local business contacts, they have the local language if it is a foreign country and we get extremely good value out of those who are hired locally.

**Mr. MacDonell:** Of course, it does not put the load on our pension scheme and so on for the civil service. When those employees are no longer necessary to Ontario they can be let go. If they were permanent civil servants of Ontario, then they would return and we would have surplus people on our payroll.

**Hon. F. S. Miller:** There is also a great deal more cost attached to a Canadian in New York than there is to an American citizen in New York, since you have to allow for out-of-country costs.

**Mr. MacDonell:** We would not pay a local employee's expensive benefit programs and so on. It is up to the foreign national to look after those for himself, so it gives us this flexibility.

**Mr. O'Neil:** I have another general overall question that I suppose comes under the general workings of your office here, since we are talking about employees being Americans. Do you have many people on contract?

**Hon. F. S. Miller:** In the ministry?

**Mr. O'Neil:** Yes.

**Hon. F. S. Miller:** Oh, sure; I could not tell you how many.

**Mr. O'Neil:** I raised that because there is a local fellow, Ted Matthews—and I know you know him; does he do contract work for you too?

**Hon. F. S. Miller:** I do not think Mr. Matthews has ever earned a cent in my ministry.

**Mr. O'Neil:** He just works for you politically.

**Hon. F. S. Miller:** He is probably a mercenary at this point in his history, in that it is coming out of my funds, but it is not out of my ministry. Is he working for you down there?

**Mr. O'Neil:** He is the reeve of Sidney township and sometimes we have to work together; but we are not on the same side politically, not even close.

In other words, you have quite a few contract people who work for the ministry.

**Hon. F. S. Miller:** Yes.

**Mr. O'Neil:** How many would there be altogether?

**Hon. F. S. Miller:** My deputy would have to answer that question. I think it would be under administration. Let me put it this way: Nearly all the staff in my office are contract employees. I do not know of any civil servants in my office, but there may be one.

**Mr. O'Neil:** Why is that?

**Hon. F. S. Miller:** I simply think their future should be tied to mine.

**Mr. MacDonell:** They do not have the benefits.

**Hon. F. S. Miller:** I just want them to lose their jobs if I lose mine. That gives them a certain edge to worry about whether I succeed or not.

**Mr. O'Neil:** How many contract people would there be working in the ministry?

**Mr. Bronskill:** There are 21.

**Mr. O'Neil:** That is within the ministry—

**Mr. Bronskill:** Totally, across the ministry, including the Ontario Development Corp.

**Mr. O'Neil:** How many employees would you have all together?

**Mr. Bronskill:** There is a total of 643, including the Ontario Development Corp. and the Ontario International Corp. There are 122 in the Ontario Development Corp. and 19 in the Ontario International Corp., for a total of 643.

**Mr. O'Neil:** Would most of the people in this room be on contract?

**Hon. F. S. Miller:** Most of those I see are civil servants; I am not sure.

Interjection.

**Hon. F. S. Miller:** Are you on contract?

**Mr. MacDonell:** No, sir. I was, but they said they would be very pleased to have me as a civil servant and I said: "Fine, if it makes you feel better I will be." However, I can have a week's notice. I am at the pleasure of the minister and I have a contract that says if he does not like me, I am out with seven days' notice.

**Mr. Foulds:** Is it the same in a lot of the ministries? Are a lot of the ministries' staff contract people?

**Hon. F. S. Miller:** I really do not know what other ministries do. I have always tried to pursue that goal, but I have broken it once in a while.

It does not leave the incoming minister with a problem if one has one's staff on that basis. They have divided loyalties. They obviously perform functions that are political in nature, as well as functions that are ministerial in nature. It is best suited to have them on that kind of arrangement.

From time to time, a secretary will come from within the civil service. Right now, with almost all my staff away working on the campaign and paid for outside of government, the deputy has arranged for permanent staff to help in my office.

**Mr. MacDonell:** That is for the mail. There is a lot of incoming mail that has to be sorted and answered.



**Hon. F. S. Miller:** There are routine things that go on. You fellows call with a request for something and someone has to handle it. We are doing that with staff who are seconded to me, with the exception of my own secretary, who stayed.

**Mr. MacDonell:** They will return to their jobs immediately the campaign is over.

**Mr. O'Neil:** Those jobs or other jobs or no jobs.

**Mr. Chairman:** Are there any other questions under vote 2303, trade program? If not, shall the vote carry in its entirety?

Vote 2303 agreed to.

**Mr. Chairman:** We have carried vote 2304. On vote 2305, innovation and technology program:

**Mr. Foulds:** I think this is the opportune time to raise questions about the Innovation Development for Employment Advancement Corp.

**Mr. Chairman:** You almost had them on the record there.

**Mr. Foulds:** Let me just say that in this line of questioning I feel as if I have to some extent to act in the role of a curious and responsible shareholder.

**Hon. F. S. Miller:** You are; you are curious anyway.

11:30 a.m.

**Mr. Foulds:** We have a corporation that seems publicly to have had considerable controversy and difficulty, and there has not been, in my view, an adequate explanation to the shareholders—the people of Ontario, who put money into the corporation which it uses to finance technological development—of the reason for Dr. St. John's termination, resignation or whatever you want to call it.

**Hon. F. S. Miller:** Let me explain the way I see the reporting arrangement first.

**Mr. Foulds:** Sure.

**Hon. F. S. Miller:** Your questions can flow from that.

There is a chairman of the board, Mr. Ian Macdonald, who is here today, appointed by the government, I think by the Premier, specifically as the chairman of IDEA Corp. He is just entering his second three-year term, as I recall.

The chairman of the corporation heads a board of directors chosen by the government to represent its interest. It is a fairly broadly based board. It has members from academe, the union movement and business.

That board in turn is responsible for hiring all employees of IDEA Corp., including the president. The chairman is the natural contact with me as minister, to discuss whatever needs to be discussed either in advance of or after a board meeting.

I am accountable to the Legislature, both in the House during question period and at estimates, such as we are discussing today. I find the best link for me is to maintain my close relationship, and indeed it has been a close one, with the chairman, Mr. Macdonald, and to hold him accountable to me if I am unhappy about something or vice versa. If he has a problem, he should tell me. We have worked on that basis quite well.

In effect, I hold all the shares of the corporation in the name of the government of Ontario. We created the IDEA Corp., a president was chosen, the Board of Industrial Leadership and Development approved the mandate and the corporation was put in motion.

**Mr. Riddell:** Before you go on, which one is Mr. Macdonald?

**Hon. F. S. Miller:** He is right there, the chap on the left-hand side.

**Mr. Riddell:** I just want to observe him as you are talking.

**Mr. O'Neil:** I feel a question coming on.

**Hon. F. S. Miller:** Unless you are being sold by auction do not worry about it.

**Mr. Riddell:** The whole Tory party is for sale, if that is what you mean. We will look after that at the next election.

**Hon. F. S. Miller:** Mr. Macdonald, almost throughout the first three full years of his chairmanship, was also the president of York University. He also performs other functions for government, so this is not a full-time occupation. I believe he performed it for the first three years virtually for no money, which is something a lot of people may not be aware of, until such time as he was free to perform it on a more full-time basis.

IDEA Corp. was created under the BILD program and it had a certain description of its role at that point in history before any chairman, board or legislation was created. After the creation of the legislation, which was very general—specifically very general, so there would be greater latitude to allow the corporation to pursue objectives as yet undefined—we started to firm up through a number of actions the real organizational structure and purpose.

That changed somewhat. The recommendation that came back to BILD is that we should be a venture capital organization primarily. I think seven corporations were set up within IDEA. Five of them were quite specifically to be venture capital funds in co-operation with private capital. Two were to be venture capital funds within IDEA Corp. and totally controlled by it, to pursue pre-venture capital ideas and programs or innovations that perhaps would not grab a private investor's enthusiasm enough since the risk might be great.

Thus we had two corporations we could use for our own purposes and five we hoped to use in co-operation with other people's money. It is not easy to establish that kind of entity and make it function profitably, although becoming self-sufficient, I believe, is seen as the objective within five years. Is that the time frame?

**Mr. Chudy:** That is right.

**Hon. F. S. Miller:** That has been kept at the masthead as the purpose of the corporation.

In its opening year or two, we had a number of discussions as to the suitability of potential investments to the objectives of the government, i.e. the shareholder. I kept stressing that the purpose of the corporation was to see technology and ideas created that would not otherwise have seen the light of day, and jobs created in Canada.

While self-sufficiency was important and still is a major objective, the real political objective of that kind of corporation is to give us a leg on in the completion of an adaptation of high technology. Therefore, there had to be a good Canadian value to any investment, not just a dollar value to an investment. We should not be looking beyond our domain just for dollars, if you follow me.

**Mr. Foulds:** Are those two aims not in conflict?

**Hon. F. S. Miller:** Sometimes they are. I think that has become quite evident. You cannot get a pure Canadian or a pure American investment some days. I do not know that you will ever have a definition that is totally acceptable, but you must understand there has to be a Canadian benefit. That is the purpose of the corporation.

BILD from time to time does review the mandate and the budget. I suspect it was during that process that I as minister asked some questions about mandate, which were all accepted by BILD.

There was never any conflict on mandate. If there is some attempt to believe there was, there has not been. Those have all been resolved through the function of the corporation reviewing

its mandate, making recommendations, having BILD review them, having BILD accept its first recommendation, and indeed it went back with a mandate reconfirmed, not even changed, in April or May of this year I would guess.

**Mr. Chudy:** April, May and June.

**Hon. F. S. Miller:** When we get into the specifics, "Does this investment meet our mandate?" the kind of discussion you talk about as to a conflict of interpretation can result.

More important, we had things such as business plans that had to be adapted and budgets that had to be approved. I think perhaps I played a fairly active role in pursuing those.

One would have to question whether I and the president always saw eye to eye on the rights of the majority shareholder, being a government. In other words, a government has some interests that perhaps you as a private investor would not have.

I think this is the only area where we ever had some disagreement. There was some idea that the corporation was running off in one direction and I was running off in another. That was not so. Whenever you have two people, I as a minister interested in the business—I am not apologizing for it, by the way—and a corporation asking, "Who is this person who owns all the shares and what is his role?" you have the potential that people are strong for disagreement.

There were never any fights, sad to say. There was nothing very juicy, sad to say. There was simply a point in history where one man said: "I really do not know that I like the system I am living in. I think I would rather go somewhere else." He never said that to me. That was a rumour.

**Mr. Foulds:** Specifically, how long did Dr. St. John actually work as president of the corporation?

**Hon. F. S. Miller:** About two years.

**Mr. Macdonald:** From August 1982 until October 15, 1984.

**Mr. Foulds:** Is it true, as reported in one of the press reports, that a headhunting firm was paid \$250,000 in searching for a president?

**Mr. Macdonald:** No, sir. That is not correct.

**Mr. Foulds:** Was anything paid to a so-called headhunting firm in searching for a president, and how much?

**Hon. F. S. Miller:** Certainly, I guess the first task of the board was to find a president and one does not go out into the street and say, "We will interview presidents." One turns to professionals to do it and I think that was the route the board



elected to choose. You might want to amplify the details.

**Mr. Macdonald:** The board was appointed on March 5, 1982, and, of course, there being no corporation in terms of substance or people at that point, it made its first responsibility the search for a president.

**11:40 a.m.**

It was determined that search should be as wide, as open and as well informed as possible. The advice we received was that the Caldwell Partners were as well equipped as anyone to conduct the search with respect to knowledge in this particular area. They were commissioned to conduct a search for the board, which took place between March 1982 and when the president came on board on August 2, 1982. Some 225 candidates were scrutinized and considered in that process and they were culled down to the short list of six, from which the search committee of the board recommended to the board the final candidate, who was then recommended to the minister.

**Mr. Foulds:** How much did that all cost? Was it not \$250,000?

**Mr. Macdonald:** The cost of finding the president and the first four vice-presidents we subsequently hired through the offices of the same firm was \$131,000. That was for the five founding senior officers of the firm.

We, in the board, took some pains to ensure that in our arrangements with Caldwell these were well within the range normally deemed appropriate and acceptable for executive searches at that level.

**Mr. O'Neil:** Are the others, the vice-presidents, still there?

**Mr. Macdonald:** Yes.

**Mr. Foulds:** Dr. St. John was president for two years at \$115,000 per year. Is that a correct figure?

**Mr. Macdonald:** No.

**Mr. Foulds:** What was his annual salary?

**Mr. Macdonald:** I would defer to the minister and see if he wants to deal with that.

**Mr. MacDonell:** Let us hold that until the minister returns. That is not a correct figure.

**Mr. Foulds:** What I want to find out and where I am going, and I will put my cards on the table, is that we paid a good deal to get this man. We paid a good deal of salary for him to serve and apparently we paid \$115,000 in severance pay. It seems to me that if we add all of the totals we are getting pretty close to \$500,000. Maybe, maybe

not; but we are getting to a large sum of money for someone who did not work out and, as a shareholder, I want to know why.

**Mr. MacDonell:** I do not think it is fair to say he did not work out. That is one of the problems with the press reports on a rather complicated corporation. The truth is that IDEA Corp. is gaining momentum and doing a good job. If you look at the results of IDEA Corp., as the momentum of its mandate develops, it is really beginning to flower.

**Mr. Foulds:** Without a president.

**Mr. MacDonell:** No; the president has just left and there is an interim president. I am a member of the board and Mr. Ian Macdonald is the chairman, so it has been closely managed during this period.

Brian St. John was the author of most of the strategy of the business, he was highly respected by everyone and he was a brilliant young proponent of venture capital formation.

Many of the things Brian St. John started are beginning to bear fruit. Some of them take quite a long time, because when we committed to a \$30-million fund with say \$10 million, it meant the other fund manager had to pick up \$20 million, and that takes a long time.

So he did not fail. I knew him, and as a member of the board could add something that the minister could not, which was that he did not want to spend the rest of his life in the IDEA Corp. He did not always agree with the principal shareholder, that is true, but if Brian were here today he would say that he started the corporation up and he set a lot of the foundation stones in place. The corporation is beginning to gain momentum and Dr. St. John would like to move on.

So, Mr. Foulds, I do not think you could say the government spent a lot of money on a failed system because it really has not failed. When you start up a corporation such as this you need a long gestation period to reach its full mandated investment of \$106 million.

**Mr. Foulds:** I would have thought you would have tried to search for a president who would stick with it for more than two years to make sure the gestation period came to term, if I may use that phrase.

**Mr. McKessock:** May I ask a supplementary?

**Hon. F. S. Miller:** CP Air lost its president after a few years.

**Mr. Foulds:** That is not a good example to follow.



**Mr. O'Neil:** He is still on the board.

**Mr. Foulds:** Could you let somebody answer the question?

**Hon. F. S. Miller:** Which question?

**Mr. Foulds:** The first question, which the officials did not want to answer in your absence, was how much Dr. St. John's presidency cost us in total.

**Hon. F. S. Miller:** Do you mean salary, not cost?

**Mr. Foulds:** I mean the salary, the searching for him and the severance.

**Hon. F. S. Miller:** I am not going to answer the question simply because at present the salaries of employees of crown corporations are not revealed. If I reveal one, which I could easily do, then every other minister of the crown is required to decide whether he or she will reveal another. Currently those are not made public, and in my opinion I do not have the authority to make them public.

**Mr. McKessock:** My supplementary was, if Brian St. John wanted to leave I cannot understand why you had to pay him \$115,000 for severance.

**Hon. F. S. Miller:** That was part of the contract.

**Mr. MacDonell:** He was under a contract.

**Hon. F. S. Miller:** You have assumed what you have read in the paper is accurate. You can use that figure, because I will neither confirm nor deny it. I simply say that was in a contract signed with him and it is not an abnormal term. It was signed before he took the position, as I understand it. If, as and when there was a severance, there was a predetermined pattern for it.

The old saying, "The nearer the top, the nearer the door," or whatever the old saying was, is very true. The guy at the top takes all the risk. If you are going to take such a high-risk job, you generally have some conditions that protect you in the event you choose to leave. That is not abnormal. We were told at the time it was proper, and we are still told it was proper, to have that kind of a clause to protect the person who is taking the ultimate responsibility for the functioning of a major corporation.

**Mr. Foulds:** Okay, but you will not give us a figure. The figure that is being bandied about—I am not sure whether it has been denied—is \$115,000.

**Hon. F. S. Miller:** I do not think we are confirming or denying it. We are simply letting you use it.

**Mr. Foulds:** If I use that figure, which you have neither confirmed nor denied, Dr. St. John's presidency cost the shareholders, including the search and the search for the vice-presidents, \$475,000. That is a heck of a lot of money.

**Hon. F. S. Miller:** I have to go back—

**Mr. Foulds:** Hold on; let me make my point. That seems to me to be a heck of a lot of money to pay for a guy who lasts two years and does not see the job through.

**Hon. F. S. Miller:** I hoped he would stay longer, but the fact remains that he did not.

I am going to give you a little lecture, because yesterday your leader, in the questions he put before the House, which the Speaker ruled out of order, tried to do what you are doing today. The questions are quite unrelated, but why do you socialists never understand double-entry bookkeeping?

**Mr. Foulds:** I am not sure I want to. A double set of books is not my idea of a business.

**Hon. F. S. Miller:** Double-entry bookkeeping is a simple, single set of books. What you forget is that for an expense there is also a benefit. Every day a person is on a job, it is hoped a benefit is created. I cannot quantify the benefit and say X dollars went out and twice X or half X came in. All I know is that a great deal of work in organizational structure, staff selection and mandate were all done under the aegis and the management of Dr. Brian St. John, and that has left us in a good position, confirmed by the BILD, to go into the future.

You always have the probability, not even the possibility, that very good leaders, strong-willed people, will disagree from time to time and simply say, "Rather than carry on, I would like to go out on my own." It shows that at least the man is not tied to the job and simply saying, "Under any conditions, I will take the money and question my job second." It should be seen as a positive thing. He would rather go out in the business world and say, "I would like a little more freedom than government gives this kind of position." I bet that was the essence of the trouble. He never expressed it, but government is not an easy shareholder to work for.

**Mr. Foulds:** Absolutely. I understand that.

**11:50 a.m.**

**Hon. F. S. Miller:** I simply point out that this kind of process does not go on in the boardrooms of any company. If you come into government from outside and you suddenly run into the demands of the Provincial Auditor, the demands

of a minister, the demands of a parliament, the demands of a select committee or of the standing committee on procedural affairs before which you appear, you sit back and ask, "What the hell am I doing here?"

**Mr. Foulds:** Let me get to the second point.

**Mr. MacDonell:** I would just like to leave one thought with you, because I spoke to you while the minister was out. The cost of hiring a president of this calibre in this particular industry is X. The taxpayers of Ontario pay no more or no less for that function, whether Brian St. John came or went. That was my point earlier.

**Mr. Foulds:** Will they have to pay another \$80,000 or whatever in the search for a new president?

**Hon. F. S. Miller:** You divide that number by five.

**Mr. Foulds:** You mean it costs as much to get each of those vice-presidents as it did to get the president?

**Hon. F. S. Miller:** A vice-president is no easier to find than a president some days in terms of the work involved.

**Mr. O'Neil:** Maybe the question is that the contract that was drawn up in the hiring of somebody should have had a penalty clause if that person did not stay for a specific period of time.

**Mr. MacDonell:** I would like to deal with that, having spent most of my life recruiting people of this type. They are very scarce—

**Mr. O'Neil:** I can feel it coming.

**Mr. MacDonell:** —and difficult to hire. If you ever attempted to do that you would not have a hope.

**Hon. F. S. Miller:** You are in the marketplace. You are dealing with rules of the marketplace and that is all.

**Mr. MacDonell:** The minister could have got one of us civil servants to go in there, but we simply would not have had the capability this man had with his background. There are very few of them.

**Hon. F. S. Miller:** I also want to point out that you do not have to pay a cent to recruit a minister.

**Mr. Foulds:** Just a lot of ego, eh?

**Mr. O'Neil:** You get what you pay for.

**Hon. F. S. Miller:** What you see is what you get.

**Mr. MacDonell:** I would like to assure you there has been no great expenditure of money or wasted money. The corporation needs a presi-

dent of this calibre because it is the largest single capital pool in Canada. It is an enormous responsibility; and whatever he was paid, another \$50,000 would not have really meant very much when one looks at the salaries his associates in that field are earning.

**Mr. Foulds:** Look, I understand that part of the equation.

**Mr. MacDonell:** It is true that \$50,000 is a lot of money, but compared with these people—

**Hon. F. S. Miller:** The irony of life is that if one is a civil servant and a career person in the government there are very strict limits on what one earns. When you move into the private sector, whether it is this crown corporation, Ontario Hydro, Ontario Energy Corp. or whatever, you start trying to attract people into what is seen as a business without all the benefits and security that go with the civil service. Then you are in the marketplace and you have to compete with the marketplace. That is what dictates what we do.

**Mr. Foulds:** The fact is that you and the president did not see eye to eye—this is a quote that so far you have not denied—and he left at least partly because you did not see eye to eye.

**Hon. F. S. Miller:** May I explain that? It may have been personal; I never felt that very much. What I tried to say a few minutes ago is that the system of government, which requires me to be accountable to you in public for many details and many questions, is not an easy one to adapt to. Rather than say that Brian St. John and I had difficulties, I would say that we had a process that puts difficulties in the way and that we have to get used to, okay? I have no apology for saying that if I am accountable to the Legislature I am in charge; that is all I am saying.

**Mr. Foulds:** Right. I have no problem with your saying that either. What I want to know is what were the difficulties that led to this breakup that are going to lead us to have to hire a new president.

**Hon. F. S. Miller:** If you asked the average person who comes to you on a Saturday morning who has just had a marital breakup whether there was a single incident in his life, it is very seldom there is.

**Mr. Foulds:** I try not to deal with marriage counselling in my constituency office.

**Hon. F. S. Miller:** But I am a minister and you are not. Perhaps that is why they come to see me.

**Mr. G. I. Miller:** What do you say to your wife on Saturday mornings?

**Hon. F. S. Miller:** I usually do not see her until Sunday morning, and then I present my calling card and reintroduce myself.

**Mr. Riddell:** Anyone who has any experience with business knows that presidents are not indispensable. I do not know why we are spending so much time on this president. Look at the United Co-operatives of Ontario. My good God, they brought in a chap who they thought was going to bail out UCO and they have had to let him go.

The deputy indicated that IDEA Corp. is bearing fruit. I would like to know what fruit is clinging to this tree that is ready for public consumption. What kind of fruit are we talking about?

**Hon. F. S. Miller:** That is a good question. He may want to go on and finish his plan of reasoning.

**Mr. Riddell:** We could go on all morning about the president.

**Hon. F. S. Miller:** Back to what I said a few minutes ago.

**Mr. Foulds:** As a matter of fact, what I asked the minister, which you have neatly diverted him from, was what were the differences that he—

**Hon. F. S. Miller:** I tried to answer that. I do not think I could define a single difference. It is a question of being accustomed to the private sector versus not being familiar with the government responsibilities that require us to look over one's shoulder and second-guess every decision.

For example, if an offer comes in to make an investment in company A, which on the merits of profit and loss and the risk involved looks good, but which does not quite seem to fit the mandate the government has for the company and the Canadian value in terms of jobs and job creation, there is a temptation for those who are in the business of making money, i.e., the other participants in the funds, to say: "Let us do it. It is in Florida. So what?"

**Mr. Foulds:** Specifically, was there a difference of opinion—

**Hon. F. S. Miller:** There were differences of opinion between—

**Mr. Foulds:** —between you and the president over investment in Derlan Industries Ltd.

**Hon. F. S. Miller:** In the final analysis, since I agreed to that, I would say there were only differences as we discussed it. I agreed to understand that it was not quite within the mandate of the corporation in that it was not true venture capital, but that I would accept it.

Therefore, you cannot call that a difference. In other words, it was resolved. If you do not resolve them, I consider you have a difference.

**Mr. Foulds:** Was there a further one that led—

**Hon. F. S. Miller:** I cannot be specific about one. However, I suggest there were some opportunities that came through potential investors which appeared to me to have an American involvement that exceeded the Canadian benefit. They would probably have been good investments, but they did not meet my major criterion, i.e., a spinoff for Canada that was visible.

**Mr. Foulds:** Is it fair to say that, in terms of the two key criteria, being self-sufficient by 1987, I believe, and spinoff for Canada, you put the spinoff for Canada slightly ahead of the former?

**Hon. F. S. Miller:** Yes, I do. I have never tried to say government should own shares in any corporation to be profitable. If one can be profitable and serve one's political objectives at the same time, so be it, but a company is owned by government for political objectives.

**Mr. Foulds:** As well as economic ones.

**Hon. F. S. Miller:** If one does not have political objectives, one does not have the investment.

**Mr. Foulds:** I could not agree more.

**Hon. F. S. Miller:** Therefore, I have to put that first. That is why I get tarred with that brush so much that I will be—carry on.

**Mr. Foulds:** I have a couple of questions. There was a review of IDEA Corp. by the standing committee on procedural affairs in June 1984. It made two key recommendations. It recommended that the three-year review of IDEA Corp.'s mandate be tabled in the Legislature. Is that ready to be tabled? Are you going to do that?

**Hon. F. S. Miller:** I cannot answer that today, quite honestly. I do not know whether the staff can.

**Mr. MacDonell:** I have not had any indication of a review.

**Mr. Foulds:** The procedural affairs committee recommended it. It is clear in its recommendations. I have the report here. A three-year review is required by the legislation and it recommended that review be tabled. Could we have a commitment that review will be tabled as recommended by the committee?

**Hon. F. S. Miller:** I will do some checking on it.



**Mr. Foulds:** Tabling it.

**Hon. F. S. Miller:** I do not even have an answer to that. I will not make a promise I cannot keep. If I can keep it, I gladly will, because I do not have any fear about reviews.

**Mr. MacDonell:** We will have to check that out. I do not know what the rules are.

**Mr. Foulds:** Could you make sure that even though these estimates will have expired you will get back to me one way or the other about that and not let it just expire when the House expires?

Second, the standing committee recommended that you "undertake a study of the role and functions of the IDEA Corp." and that "the IDEA Corp. include in its annual report not only a description of its investments, but also some indication of how many potential job opportunities those investments will realize."

Will you make a commitment that will be done in future annual reports? Can I have a verbal commitment, not just a nod?

**12 noon**

**Hon. F. S. Miller:** Off the top of my head I do not see any problem with that. The only problem one has is trying to quantify what is not always easy to measure.

**Mr. MacDonell:** We can follow that up. We can follow the firms and take the jobs they had when the investment was made and the jobs they had one year later. That is one way of doing it.

**Mr. Macdonald:** Mr. Chairman, as far as the first part of that double-barrelled question is concerned, we have in the recently published annual report for the past year dealt with the particular investments. We have more information today if that is deemed desirable by the committee.

On the question of jobs, we are also in the process of trying to track the jobs related to the specific investments. I do not want to leave the committee with the impression that is either easy or perfect because we in the IDEA Corp. are playing a part in the long-term transformation of the economy, as you appreciate, by endeavouring to encourage innovations and encourage economic progress to create jobs. I really could not credibly promise we could relate the precise jobs, but we can certainly do our best to indicate the range and the nature of the jobs.

**Mr. Foulds:** That relates to Mr. Riddell's concern about the fruit that is there.

**Mr. Macdonald:** Yes.

**Mr. Riddell:** That is what I want to talk about. I want to know the fruit that this giant tree, with its trunk temporarily injured, has borne.

**Hon. F. S. Miller:** Actually, it is a ground fruit. It is buried, earthy.

**Mr. Foulds:** The other area on which I would like to speak is the committee report's indication that the corporation's memorandum of understanding with the ministry was still in a strapped stage in June 1984. Is that close to being completed or has it been completed? If it is completed, can it be tabled?

**Mr. MacDonell:** It was completed in the last month or so.

**Mr. Macdonald:** Yes, as I understand it, currently, literally pending the signatures of the minister and myself, the work has been done and agreed to.

**Mr. Foulds:** Is there any difficulty with tabling that once it is complete? I think that would help to clear up some of the difficulties.

**Mr. MacDonell:** Where does it stand at the moment? Has it been tabled? Has it been completed?

**Mr. Bronskill:** No, it has not, Mr. Chairman.

**Mr. MacDonell:** Are there one or two details the minister has to look at first?

**Mr. Bronskill:** There is a procedure for the approval of a memorandum of understanding. The memorandum goes before Management Board. It is now in the preparatory stage of going to Management Board. Once it is cleared by Management Board it is free to be tabled.

**Mr. Foulds:** I ran into this difficulty when I was on the select committee on Ontario Hydro affairs because although that corporation has existed since the beginning of time, even before the beginning of this Tory dynasty, the frustration because it had never done its memorandum of understanding was one that was very great.

I think it is good business sense to complete a memorandum of understanding so the parties involved, both from the ministry and from the corporation, know what the rules are. It is very helpful if members of the the public, i.e. me, as a shareholder, knows what those rules are. I urge you to complete that as quickly as possible and to try to table it before the House adjourns.

**Mr. Macdonald:** Nothing stands in the way of that.

**Mr. MacDonell:** Only the hearing before Management Board.

**Mr. Bronskill:** As far as Mr. Macdonald, the minister and I are concerned, we are through with the details of it. It just has Management Board approval to go now.

**Mr. Foulds:** I have two other quick questions. First, did the chairs in the boardroom actually cost \$2,000 each as reported in the press?

**Hon. F. S. Miller:** No.

**Mr. Macdonald:** I cannot give you the exact figure, but I am advised they cost some \$485 each plus provincial sales tax.

**Mr. Foulds:** How many chairs were there altogether?

**Mr. Macdonald:** There are 15 directors and about 20 chairs.

**Mr. Foulds:** You do not make anyone stand.

**Mr. Macdonald:** They are not as comfortable as these ones, I might add.

**Mr. Foulds:** These are a lot cheaper, actually.

**Mr. Macdonald:** I wish I had known.

**Mr. Foulds:** Second, when do you expect to be able to hire a new president?

**Mr. Macdonald:** The deputy minister and I have arranged for an interim president, who has been helping us for the past three weeks and who will formally take office on December 1. He has agreed to help us as interim president during the process of searching for the new president.

The board has struck a search committee. The search committee will be taking on the process of recruitment. I would say that our timetable would be from the optimistic three months to the realistic six months to have a new president to recommend to the minister and have in place.

**Mr. Foulds:** Is the ratio between corporate management, which I think we estimated to be one manager to five employees, not a little high for most corporations of this kind?

**Mr. Macdonald:** I am sorry, the ratio of which?

**Hon. F. S. Miller:** Too many managers.

**Mr. Macdonald:** Do you mean the ratio of management to support staff?

**Mr. Foulds:** Yes. The management-employee ratio we worked out as of March 31, 1984, and we could be slightly wrong in this, is seven to 37 or approximately one to five. That seems to me to be a very high ratio.

**Mr. Chudy:** If I could answer that, or try to: one of the aspects to look at, Mr. Foulds, is that the vice-presidents have perhaps less responsibility for managing groups of people, which is what is often thought a management responsibility, and a significant responsibility for negotiating deals, both specific one-on-one investments or licensing. For instance, one of our vice-presidents has a staff of only one, his

secretary, but his key role is negotiating with very senior corporate people on licensing arrangements.

In a sense your question is understandable, but it is not a matter of overmanaging, it is, to some degree, a matter of having senior negotiators.

**Mr. Foulds:** Are there job descriptions for each of the vice-presidents?

**Mr. Chudy:** In general, there are. They are basically corporate affairs, marketing, finance, technology and technology transfer or licensing.

**Mr. Foulds:** I would like to see something specific. I imagine you are paying a vice-president somewhat in excess of \$80,000 annually, but the minister will not reveal the number. I have no quarrel with that, but I would think if you are paying somebody a deputy minister's salary or more you should have a fairly accurate job description available for the shareholders. Is that possible?

**Mr. Chudy:** We could provide that.

**Mr. Foulds:** Thank you very much. Could you provide a similar job description for the president's job without betraying any corporate confidentiality, which I understand is necessary when you are looking for people?

**Hon. F. S. Miller:** We can make that very short, "responsible for results."

**Mr. Foulds:** In the short term, the results look a little chaotic.

**Hon. F. S. Miller:** That gets back to the question Mr. Riddell asked, "What are the fruits that are going to be borne by the corporation?"

Do not forget, this is a corporation starting in a field that has not been particularly common in Canada. It is one where the very reason IDEA Corp. moved in was that we thought there was a dearth of activity. We felt there were not enough Canadian venture capitalists, people willing to invest in Canadian ideas, and we did not find it easy to stimulate the reaction.

The first step is to go through finding potential partners who can live with some of the rules that we have to have that other partners would not have, such as a lot more visibility. Would you really want your money tied up in a corporation which has to appear before a committee and perhaps say: "Mr. Jones gave me so many dollars, and we are doing this, that and so with it, but we cannot take the most profitable deal that we would all agree upon because it does not meet the objectives of the government of Ontario."

In other words, people putting their money out to risk do not necessarily share my objectives, so we have to get compatible participants in those

venture capital funds. That was one of the first steps.

**12:10 p.m.**

Through discussion we had to clarify what was not clearly written, i.e., what kinds of investments, spinoffs and benefits for Ontario should guide the board. I think that has happened to a large degree. We have gone through a period of learning, and the learning curve is now passing. We have lots to do yet to become better; we do not argue that.

The eventual outcome is not totally sure. What BILD really said last June was: "We think after two years that the course chosen is still the best; that there is a potential benefit in encouraging innovation, development and invention in Ontario; that rather than change direction at this point and find a new objective for IDEA, the current one should be given a fair chance to mature. We realize there are growing pains; we are going to live through them and see that those benefits occur."

All the while we are getting more and more specific real investments. The real investments will or will not produce results according to the wisdom with which we chose them. We will be at the margin; i.e., we will be taking some of the riskiest.

**Mr. Foulds:** Sure.

**Hon. F. S. Miller:** This means, of course, that we will have a higher failure rate. Venture capital has a high failure rate anyway. From a politician's point of view it is a fool's game, because in order to get one or two investments you say about 90 noes. The ones who get the noes are the guys who go around mad, because everybody who comes to you for money is convinced his idea was right.

Any venture capitalist will tell you that very few proposals that come to the venture capital people pass their scrutiny. You know how you would be feeling if most people who came into your office got a no. That is one of the difficulties and one of the reasons that from time to time you will hear of irritated people.

We are working on process. I think we have some improvements to make in the speed with which we come to a conclusion. That comes with experience. It particularly comes with knowing what the company can invest in; and that, I think, is better established than it was before.

I would suggest the fruit we are looking for is the creation of new products and processes in Canada that otherwise would not have reached the light of day because no one would have been willing to nurture them through the risky stage.

That, in turn, means jobs and, we hope, better trade balances and all the benefits.

**Mr. Riddell:** To this point, how many venturesome entrepreneurs have actually asked to participate?

**Hon. F. S. Miller:** I will turn that back to the chairman.

**Mr. Foulds:** Before he goes on, I want to say one thing.

**Mr. Chairman:** We have about eight minutes left and we have given you an awful lot of time on this one topic. There are two or three other questions here. With all respect, I think your side of the floor has had more than its share of time.

**Mr. Foulds:** They had more than their share on the previous votes, and we understood that. Anyway, go ahead.

**Mr. Macdonald:** Mr. Chairman, I can answer that very quickly. Recognizing that the people who come through our door vary from the individual inventor to the large corporation, we have now had nearly 1,000 ideas—and I use the term advisedly—flow into the office, ideas being everything from a gleam in the eye to a fairly mature and sophisticated proposal.

**Mr. Riddell:** How many has the IDEA Corp. accepted as a partner?

**Mr. Macdonald:** Up to this time we have committed \$25.5 million to 18 early-stage research projects, to other technology startups and to our various venture capital funds. Of course, there are a number of others that I would say are now close to completion and ready for investment.

**Mr. MacDonell:** To be a little more specific, I think the member is asking, for example in the area of creating new firms, how many new technology-based firms have been created? In my last count I think you had been instrumental in starting up 12 firms, which were very fast-growing firms.

**Mr. Macdonald:** If you actually take an identifiable new firm in the technology-based field, we believe we can take credit for 12 such firms.

**Mr. MacDonell:** In an operation like Derlan, Middlefield or one of those, of course, you have no idea how many firms they are involved in, except as you participate on the board you could track the number of new firms they are investing in too.

**Mr. Macdonald:** In addition, I think it is important to remember we are also a broker, using the term in its broadest sense, in that we



have been involving ourselves with the universities, the investors and commercial marketers. Often the role we play takes no more than a telephone call to introduce X to Y. Then they would go on and produce their own deal or their own relationship without any further intervention on our part. There is a lot of that.

**Mr. O'Neil:** You mentioned Derlan. Were there not some problems with the Derlan applications or some problems with their technology?

**Mr. MacDonell:** No; Derlan is focusing its investments on new technologies. The minister would say Derlan is a borderline case, but Derlan has agreed to move to the new technology creation type of investment. We are looking forward to Derlan doing some quite creative things. They will be creating new businesses.

To give the member a little more factual information, we ought to talk just briefly about what some of those companies are, because he has to get some feel as to whether they are fast growth or whether they are sunset type companies. I am talking about firms like the two firms that went into plastic technology, the surgical device and so on. Would you give us some of that information.

**Mr. Chudy:** If I could could go back, Mr. MacDonell, to your comment on Derlan, you are correct in that they are interested in new technology, but I could add one other point which is that as they may acquire existing firms, one of the strong benefits we see for IDEA Corp. is to find new technologies that might be applicable to those firms. So while the existing firm may not be new-technology based, as we find appropriate new technologies we offer those to the Derlan portfolio of companies. It is yet another way to inject new technologies into those portfolio companies.

To pick up your second point, we have two basic broad investment activities. One is what we call pre-venture capital, and those are investments before there is a company. I could run through those, particularly the university-based projects.

We have a \$350,000 investment in photo-active solid state technology at the University of Waterloo. There is one of \$25,000 to help develop and promote a new surgical device developed at Lakehead University.

The latest figure here is \$10,000, but it has gone up another \$3,000 and we are looking at another potential \$50,000, to a paper recycling technology out of the University of Toronto. There is \$750,000 to a new development that

could help the mining and chemical industries, also developed at the U of T.

Our major single project at this early stage is \$800,000 to a new pharmaceutical being developed at Queen's University. To get to the long-term nature of that kind of work, we think it will take one year before the patent situation is even clear. It may be another eight years before a drug is ready for the market. It costs, on average, \$50 million to bring any pharmaceutical to market in North America.

**Mr. Foulds:** Sorry, what was that amount, again?

**Mr. Chudy:** To bring an average pharmaceutical to market, \$50 million. Our investment at this point is \$800,000.

**Mr. Macdonald:** This is a drug, Cardionatrin, for the relief of high blood pressure and hypertension. If we can wait eight years we can—

**Mr. Riddell:** It should be good for politicians.

**Hon. F. S. Miller:** It is a byproduct of estimates debates.

**Mr. Chudy:** There is also \$336,000 to a technology project at the University of Western Ontario.

There is another new program which I will not cover extensively; it is what we call the commercial development officers program. We now have agreements at Guelph, Lakehead, Ottawa, Queen's and Waterloo—and we are negotiating with others—to help them find commercial technologies they can develop, sometimes with our help.

Finally, the individual companies being established include Toronto Medical Corp., a medical instruments company based on a new kind of technology; two new companies in the plastics area—I am trying to sort out duplications. There is support to a company in radio communications. I believe that gives a picture of the investments.

**12:20 p.m.**

**Mr. MacDonell:** So you see there is a great deal of activity. I think one of the important points of this activity is that this will commercialize these inventions in Ontario. Otherwise, they would have had to go to the United States, where there is much more access to venture capital. That is why, as I said earlier, IDEA Corp. is beginning to gain momentum and it is beginning to do its job.

In the case of this pharmaceutical, you see the tremendous lead time one runs into. It may take a year to even establish a patent. But that does not mean we are not starting to move.

**Mr. O'Neil:** How do you share in that? In other words, if you develop this new drug, is there a repayment?

**Hon. F. S. Miller:** We do not have the benefit. Would we not—

**Mr. Chudy:** There is a share of royalties. We actually share in profits as an owner.

**Mr. O'Neil:** Is there a percentage for each company?

**Mr. Chudy:** Each deal is negotiated on a one-on-one basis, based on our assistance.

**Mr. O'Neil:** I know you touched on Derlan. I guess I was questioning the terms of the Derlan investment. Were there not some problems with the terms?

**Hon. F. S. Miller:** I do not recall any.

**Mr. O'Neil:** None at all? Not even when you mention you are going to get into some where there are failures? Ansam, for example?

**Hon. F. S. Miller:** Again I would have to turn that back to staff to give details. If we do not have some failures we surely are not taking much risk.

**Mr. O'Neil:** Again, how much did you lose on Ansam?

**Mr. Chudy:** We indicated in our last annual report, the one just tabled, losses on two investments were approximately \$500,000. One investment was in an electronics firm which we wrote off in order to allow private-sector investors to come in and refinance. As I recall that was in the order of \$200,000. On Ansam, our losses were in the order of \$300,000. That is a ball-park figure.

**Mr. O'Neil:** No chance of any recovery at all?

**Mr. Chudy:** We recovered in a sense. As part of the winding down arrangements we took on shares in a company. It was obviously negotiated and we made an attempt to return to the corporation as much as we could recoup. But the private investor who was leading that syndication lost substantially in his own funds.

**Mr. O'Neil:** Another I made note of was C. J. Rush Ltd. Where does that stand now?

**Mr. Chudy:** If I could turn this over, Barry Schacter is our vice-president of marketing and is very familiar with the Derlan situation.

**Mr. Schacter:** We made an investment in a venture capital fund called Derlan. Our position is we hold 25 per cent of that company. Our co-shareholders include some very substantial members of the investment community in Ontario, as well as in Canada. As part of Derlan's investment program they had purchased control-

ling shares in a firm called C. J. Rush. In addition, Derlan has purchased another firm.

I just want to point out where that leaves us, where we stand. Derlan raised their money in June, hired their staff and had it operational by August. They have acquired two companies, of which C. J. Rush is one. From the time of their involvement in these two companies, they have added in excess of 150 new jobs, establishing a job-creation benefit. These companies are growing and have accelerated in Ontario.

**Mr. O'Neil:** What does C. J. Rush do?

**Mr. Schacter:** Basically they have a patented technology on entrance systems. In its simplest terms we could call it a revolving door. That is only one of their primary product lines which they licence internationally.

Effectively, if you look at the technology, it is basically security systems. They focus on security systems; metal fabrication is one of their product lines.

**Mr. O'Neil:** I know that Mr. Gordon Miller—

**Mr. Chairman:** We still have 30 seconds remaining, Mr. Miller, if you would like to ask a question. It is actually 15 seconds.

**Mr. G. I. Miller:** It was not on new ideas.

**Mr. O'Neil:** Where do you get 15 seconds?

**Hon. F. S. Miller:** Because we have yet to wind past the votes.

**Mr. G. I. Miller:** I just want to revert to an earlier subject and make a request to the minister which I feel is important. I discussed it with the minister the other night. It is in regard to the Ontario Development Corp. and a new plant being proposed called Grand River Wood-preserving Ltd., in Caledonia. It would mean 20 jobs for Caledonia. It would mean an increase in the spin off. I just ask the minister if he would either look into it, or have his staff look into it again.

**Hon. F. S. Miller:** I would be glad to do that with you on a private basis. We have passed that vote and item, so it is not appropriate at this time; but it does not matter, I will still gladly deal with you on that.

**Mr. G. I. Miller:** I would just like to get it on the record so we can make that request to review it, because they made application in November of last year. The equipment and the land have been sitting there and it means 20 jobs.

**Hon. F. S. Miller:** The name?

**Mr. G. I. Miller:** They call it the Grand River Woodpreserving Ltd., in Caledonia.

**Hon. F. S. Miller:** All right. We will check through Hansard and check it for you.

**Mr. Chairman:** The time for these estimates has expired. We need to carry vote 2305.

Vote 2305 agreed to.

**Mr. Chairman:** Shall these estimates be reported to the House?

Agreed to.

**Hon. F. S. Miller:** I want to say to all my staff who sat here and were not asked a single question and had all that anticipation destroyed that I am sorry you were not able to come forward and

participate, but thank you for your patience.

**Mr. O'Neil:** We are sometimes a little constructively critical, but in closing I would like to thank the Eastern Ontario Development Corp. for a recent loan that was given to the Trenton area in the amount of \$500,000. It is nice to have things like that, too. I hope the good news keeps up.

**Mr. Chairman:** This completes consideration of the estimates of the Ministry of Industry and Trade.

The committee adjourned at 12:26 p.m.

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## SPEAKERS IN THIS ISSUE

Barlow, W. W.; Chairman (Cambridge PC)

Foulds, J. F. (Port Arthur NDP)

McKessock, R. (Grey L)

Miller, Hon. F. S., Minister of Industry and Trade (Muskoka PC)

Miller, G. I. (Haldimand-Norfolk L)

O'Neil, H. P. (Quinte L)

Riddell, J. K. (Huron-Middlesex L)

### **From the Ministry of Industry and Trade:**

Allanson, P. G., Assistant Deputy Minister, Trade

Bronskill, A. S., Executive Director, Administration

Chudy, L. J., Vice-President, Corporate Affairs, IDEA Corp.

Littzen, K. A., President and Chief Executive Officer, Ontario International Corp.

Macdonald, H. I., Chairman, Board of Directors, IDEA Corp.

MacDonell, G. S., Deputy Minister

Schacter, B. Z., Vice-President, Marketing, IDEA Corp.







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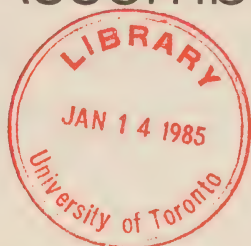


No. R-42

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario



#### **Standing Committee on Resources Development**

Estimates, Ministry of Transportation and Communications

**Fourth Session, 32nd Parliament**

Tuesday, December 4, 1984

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, December 4, 1984**

The committee met at 8:04 p.m. in room 151.

### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

**Mr. Chairman:** We are here tonight to begin the estimates of the Ministry of Transportation and Communications. As is normal in this sort of event, we will call on the minister for his opening statement.

**Mr. Samis:** May I interrupt, Mr. Chairman? Last year we found it profitable to try to allocate the time in advance. I was wondering if we could do the same this year, especially in view of the fact we have 2.5 fewer hours this year. I think it would be a good idea. I was talking to Mr. Eakins and he was agreeable to working out something between the three of us. I do not think that should be too difficult.

**Mr. Chairman:** May I suggest that tonight be devoted to opening statements?

**Mr. Samis:** Right.

**Hon. Mr. Snow:** My statement will take up tonight, tomorrow morning and Thursday night.

**Mr. Chairman:** That is what I am saying, opening statements tonight—

**Mr. Samis:** I think the main issues would be designating a time for the highways vote, and possibly the Urban Transportation Development Corp. and government of Ontario advanced light rail transit vote as well.

**Mr. Chairman:** UTDC and what else?

**Mr. Samis:** GO-ALRT and Toronto Area Transit Operating Authority, and the transport board. There is no one else you would want to bring in. Those are the main ones we usually deal with.

**Hon. Mr. Snow:** The normal people who are available to come in are UTDC, GO Transit, the Ontario Highway Transport Board and the Ontario Telephone Service Commission. There is one more. What is it? I guess that is basically it.

We have some timing problems with respect to some of those agencies. Mr. Foley of the UTDC is available tomorrow morning, if that is satisfactory.

**Mr. Samis:** He is not available Thursday? Or Monday or Tuesday?

**Hon. Mr. Snow:** He will be out of the country on Thursday, unfortunately.

**Mr. Samis:** And Tuesday?

**Hon. Mr. Snow:** I believe he is out of the country Tuesday as well. He is on some trip. Mr. Marrs of the Ontario Highway Transport is in Quebec City this week at a conference of the country's transport administrators, the Canadian Conference of Motor Transport Administrators.

**Mr. Samis:** What vote does UTDC come under?

**Hon. Mr. Snow:** There is really no vote for UTDC. It is just an agency you always seem to like to discuss.

**Mr. Gilbert:** There is no funding from the ministry.

**Hon. Mr. Snow:** UTDC is not covered in a vote. Mr. Marrs is out of the province this week. He is available December 11. Mr. Leach, unfortunately, is in hospital but he too will be available on the 11th, a week from tonight.

**Mr. Samis:** Would Thursday night be a good night for the highways vote then? Is that what you are telling me?

**Mr. Eakins:** As long as we get it in, I am flexible on that.

**Mr. Samis:** We usually designate one night for that.

**Mr. Chairman:** For provincial highways.

**Mr. Samis:** Yes. Would that be vote 2804? It would be Mr. Foley tomorrow, UTDC. Is nobody from GO Transit available this week?

**Hon. Mr. Snow:** Mr. Parsons is on leave of absence; and as noted, Mr. Leach is in hospital having some surgery and cannot be here. He will be available on Tuesday night. Mrs. Jones, the vice-chairman of GO Transit, will be available.

**Mr. Samis:** Why not work in some of the smaller votes?

**Hon. Mr. Snow:** Such as?

**Mr. Samis:** It could depend on how much time Mr. Eakins wants to spend with Mr. Foley. With Eric Cunningham it was usually a two-and-a-half-hour session.

**Mr. Chairman:** Things have changed.

**Hon. Mr. Snow:** If you want a copy of Hansard you can send it to Eric, wherever he is,

just to let him know you have not totally forgotten him.

**Mr. Samis:** Why not pick out a couple of votes as backup in case we do not take as long with Mr. Foley as usual?

**Hon. Mr. Snow:** We will be ready to do any of the others whenever you want.

**Mr. Samis:** How about vote 2801 tomorrow as a backup?

**Hon. Mr. Snow:** How about doing that tonight?

**Mr. Samis:** We may. How about vote 2806, air, rail and marine?

**8:10 p.m.**

**Hon. Mr. Snow:** Do you want Mrs. Bielski here?

**Mr. Samis:** Who is she?

**Hon. Mr. Snow:** She is chairman of the Ontario Telephone Service Commission.

**Mr. Samis:** I do not.

**Hon. Mr. Snow:** We have not normally had her here.

**Mr. Eakins:** Unless there are some areas that should be dealt with, I have not that many concerns with the telephone commission. I did earlier, but now I do not unless there is some information we—

**Hon. Mr. Snow:** There is nothing exciting going on in that field. It is relatively ongoing. I do not think we have had her here, as I remember.

**Mr. Eakins:** There are other areas that are of greater priority.

**Hon. Mr. Snow:** Do you want the Ontario Highway Transport Board here?

**Mr. Samis:** I do not.

**Mr. Eakins:** I do not do much with the transport board.

**Hon. Mr. Snow:** You may decide whether you want Mr. Marrs.

**Mr. G. I. Miller:** Are we going to be discussing deregulation? Would that include the board?

**Hon. Mr. Snow:** That has nothing to do with him. That comes under the regulatory vote. I do not know the vote number.

**Mr. Eakins:** I do not know of any concerns with the highway transport board.

**Mr. Chairman:** We want to hear statements tonight.

**Mr. Samis:** May I clarify what we are doing tomorrow? Let us assume we do not go the full

two and a half hours with our friend, Mr. Foley. I suggest we do vote 2806 tomorrow, provincial transportation program; air, rail and marine. That does not usually take long. That will be for Wednesday. Perhaps there should be some backup. If we do not get it done tonight, we could do vote 2801. That means we would be leaving vote 2805, provincial transit program, to next Tuesday. Would vote 2803, safety and regulation program, be next Tuesday?

**Hon. Mr. Snow:** What about Thursday?

**Mr. Samis:** Thursday is vote 2804, provincial highways program.

**Hon. Mr. Snow:** There are the two votes, the provincial highways one and vote 2807, municipal roads program. Do you want to do them both on Thursday?

**Mr. Samis:** Yes. There are two backup votes for tomorrow then, votes 2801 and 2806; and for Thursday there are votes 2804 and 2807, which would mean we would do safety next Tuesday and—

**Hon. Mr. Snow:** Transit.

**Mr. Samis:** Yes; and transit on Tuesday.

**Hon. Mr. Snow:** There is provincial transit and municipal transit.

**Mr. Samis:** I am assuming we will never get to communications; we never do.

**Hon. Mr. Snow:** We usually never do.

**Mr. Samis:** Is that agreeable, Mr. Eakins?

**Mr. Eakins:** I think so.

**Hon. Mr. Snow:** Mr. Chairman, it is my pleasure once again to present for your consideration the estimated expenditures for the Ministry of Transportation and Communications. This is the 10th time I have had the opportunity to bring forward these estimates. I have to tell you that the money has all been spent and well spent during the construction season we have had this summer.

With me this evening is my deputy minister, Harold Gilbert, along with other senior executives from the ministry who make up the strategic policy committee.

Of the four assistant deputy ministers here, the only new face you may recognize is that of Tom Smith, the assistant deputy minister, safety and regulation. Tom is the handsome fellow with the slightly grey hair. He has taken over from Mark Larratt-Smith in that area. Mr. Smith was previously the executive director of the highway engineering division, and before that regional director of the central region.



Other new executives this year are Norm Mealing, the executive director of the strategic policy secretariat and modal offices; and Ian Oliver is the newly appointed director of the transportation capital branch. Mr. Mealing came to the ministry from the Provincial Secretariat for Social Development and before that worked in the ministries of Health, Education and Community and Social Services. As you can see, we are having some strategic policy problems in reorienting him from all those social ministries over to something that does meaningful things.

Mr. Oliver is a long-term Ministry of Transportation and Communications employee who was the director of policy planning branch before his assignment to the transportation capital branch. It is his job to organize all the capital construction projects to see that we make use of all the capital you vote us and do not have overexpenditures in that area of the budget.

The ministry's management structure is described in Part I of the 1984 Strategic Directions booklet that outlines a strategic style of management which integrates a formal line organization with a program committee structure. The Ministry of Transportation and Communications include: provincial highways, provincial transportation, municipal transportation, transportation regulations and communications.

The mandate and mission statements for these programs are also included in the 1984 Strategic Directions booklet. I would like to add that a line organization chart is included in a pocket just inside the booklet's back cover. Those have all been distributed to you.

Within the provincial highways program, the major thrust is toward preservation of the highway infrastructure, a \$20 billion investment that we have. To accomplish this, the ministry is focusing on preservation activities—pavement and bridge rehabilitation and roadway and bridge maintenance.

To maximize the use of the existing highway network, freeway traffic management systems are being developed. These will be implemented in a staged manner in the urban centres of Toronto and Ottawa and on the James N. Allan Skyway. Benefits for the motoring public from this system include savings in travel time, improved safety and better energy efficiency. The project will also encourage the development of Ontario's high technology industry because of its heavy reliance on electronic products and the use of fibre optics.

Also of note under the provincial highways program, a good construction season this past

summer has enabled many construction projects to move ahead of their originally planned schedules. The work on the James N. Allan Skyway, for example, is about one year ahead of schedule. The extension of the collector-distributor system on Highway 401 westerly through the Highway 403 interchange—that is just south of the Toronto International Airport, or Lester B. Pearson if you wish to put it that way—is now several months ahead of schedule, as is the work on the Peterborough bypass.

This fall I opened the St. Catharines section of Highway 406. Another link in Highway 403 west of Brantford was also opened the week before last, as was a section of Highway 16 south of Ottawa. Construction is continuing in other locations: the Kenora bypass, the Sudbury northwest bypass, Highway 11 from Washago to Gravenhurst, the Ottawa Queensway and Highway 404 north of Toronto to Newmarket, to mention just a few.

Many major rehabilitation contracts have been completed this year. On Highway 7 from west of New Hamburg to Shakespeare on the Queen Elizabeth Way, from Highway 427 to Mississauga Road, and resurfacing on Highway 417 in the vicinity of Highway 138 come to mind. Others will carry over into the next year.

Under the provincial transportation program, the Ministry of Transportation and Communications is actively promoting a computerized goods transportation information system to achieve more efficient goods distribution. A new physical distribution consulting service has been established in Timmins in conjunction with the Ministry of Northern Affairs to assist shippers from the northern Ontario part of this province with their shipping problems.

Also under the same program, the rail office is co-ordinating the provincial position with respect to seeking federal legislation to recognize rail commuter services, as well as federal regulations for costing rail services in Ontario and Canada. Work is also proceeding with the ongoing construction of new airfields for Indian settlements in remote northern Ontario.

**8:20 p.m.**

In the municipal transportation program, work is nearing completion on the Scarborough rapid transit line and the first major portion of the Ottawa bus transitway. The replacement of the subway cars purchased 30 years ago for the original Yonge subway line is under way and, as well, the replacement of the old President's Conference Committee streetcars has begun.

In addition, work was completed on the Prairie Siding bridge in Kent county and on Burlington Street in Hamilton—I see the member for Chatham-Kent (Mr. Watson) is here, the honourable member for Prairie Siding. In fact, I just left the former honourable member for Prairie Siding.

**Mr. Watson:** It was a very good bridge and very much appreciated, sir.

**Hon. Mr. Snow:** I regret I was not able to be at the official opening.

**Mr. Watson:** Your deputy did a very admirable job.

**Hon. Mr. Snow:** Construction is continuing on the Hunt Club Road extension across the Rideau River in Ottawa-Carleton. In northern Ontario, the Highway 11 connecting link in Haileybury was completed. The work is continuing on the development of a road project in Dorion township to Ouimet Canyon off Highway 17 north of Thunder Bay. Also in northern Ontario, the main street reconstruction in Atikokan was completed, as was the reconstruction of Wellington Street in Sault Ste. Marie and the grade separation on Grenville Avenue in Thunder Bay.

Under the transportation regulation program, highway safety has been a major thrust. In 1980, we were predicting the number of motor vehicle accident casualties would be increasing annually during the 1980s. Instead, highway safety has been improving significantly in this decade. I believe ministry programs such as the probationary driver licence system and child restraint legislation have, in part, contributed to this improvement.

Also, under this program, the vehicle registration system just passed its second anniversary on December 1. I am personally pleased to report the system is generally working well and we have had very positive feedback from law enforcement agencies on timeliness and accuracy of vehicle information.

We have begun working on the implementation of photos on drivers' licences, a project scheduled for January of 1986. The initial step is the selection of a vendor for the photo equipment.

On behalf of the government, the ministry has introduced a major policy statement on international transborder trucking. I believe this policy will assist Ontario industry and manufacturers to compete for trade in the United States by allowing more competition and service options in that area, while at the same time providing

safeguards to allow Ontario truckers time to adjust to the new market conditions.

Implementation of the trucking regulatory reform outlined in the report, Responsible Trucking, is proceeding. The Ministry of Transportation and Communications is continuing to respond to the needs of the trucking industry in designing the proposed reforms. While we continue our commitment to resolve conflicts by consensus, at the same time, we are endeavouring to bring the matter to an early conclusion and end the uncertainties which have burdened all parties for so long.

I am particularly pleased with the progress being made in the communications program. Many of Ontario's positions representing the interests of Ontario consumers in the communications industry have been reflected in recent decisions by the federal government and Canadian Radio-television and Telecommunications Commission on broadcasting and telecommunications matters. These include new speciality services, Canadian superstations, satellite uplink ownership and cellular radio.

The technological advances in telecommunications are impacting significantly on the regulatory processes. To assist the Ontario Telephone Service Commission, the provincial regulator, the Telephone Act has been amended to make it more flexible and adaptable to new developments in telecommunications. Several technology applications of fibre optics, satellite and videotex have been pursued, one of which is a two-year pilot project using Telidon, to provide an aviation briefing system at 26 local airports.

With respect to the ministry's corporate resources, I am happy to point out that with less than 9,000 employees across the province we continue to make effective use of the allocated funds we have for administrative purposes. I might point out that 10 years ago, the number of employees was approximately 12,500. We should also remember that more than half of the MTC budget is distributed to municipalities through transfer payments, while a significant portion of the remainder is distributed to the private sector through maintenance, capital construction and consulting contracts.

I promised I would be brief tonight. I have touched on only a few of the MTC projects completed or initiated during this fiscal year. I am sure your committee members will have questions aimed at exploring other areas in more depth during the consideration of the estimates. I look forward to answering their questions and I am sure you will have a few on trucking.



**Mr. Chairman:** Thank you very much, Mr. Minister

**Hon. Mr. Snow:** You can have the same 11 minutes.

**Mr. Chairman:** That is right. It was very surprising, and a very enlightening opening statement. I am sure it might leave a few questions unanswered. I will turn first to Mr. Eakins.

**Mr. Eakins:** Thank you, Mr. Chairman and Minister. That short statement was certainly an example to your colleagues in other ministries.

**Hon. Mr. Snow:** I do not bother to have it printed and distributed either.

**Mr. Eakins:** I am delighted to see you have brought your staff with you. There is one minister who will not allow his staff to be present.

**Mr. Chairman:** I recall that statement being made at the beginning of the last set of estimates.

**Mr. Eakins:** I complimented the other minister also.

**Mr. Chairman:** I know you did.

**Mr. Eakins:** Anyway this is—

**Mr. Stokes:** Are you saying he sounds like a broken record?

**Hon. Mr. Snow:** Although I have very competent staff here with me, I prefer to do most of the estimates myself.

**Mr. Eakins:** They are there as a backup. I want to say this is a new responsibility for me and I look forward to discussing—

**Mr. Lane:** A welcome change.

**Mr. Watson:** We will applaud that.

**Mr. Eakins:** We had a very good critic previously and I am delighted to have this opportunity.

**Mr. Watson:** We welcome you very much.

**Mr. Eakins:** On a personal basis, Minister, I want to thank you and Mr. Gilbert, your deputy minister, and your staff for the co-operation I have received as the member for Victoria-Haliburton.

**Hon. Mr. Snow:** Please cut that out.

**Mr. Eakins:** I always feel it is easy to cut up civil servants when there are problems, but when they are co-operative and very helpful we should show our respect.

**Hon. Mr. Snow:** I did not suggest you should cut out the respect; I meant they should cut out the co-operation.

You know I do not mean that. You always get co-operation whether it is from the staff or minister in MTC.

**Mr. Eakins:** The area I represent is covered by a number of your district offices—Port Hope, Bancroft and Huntsville in particular—and I pay tribute to the co-operation I have received.

I remember on a number of occasions when your people in charge of driver examination have been most helpful to others in an emergency. On a day's notice, for example, they have sent someone down to the office in Lindsay to avoid holding up someone in need of employing a person. I have appreciated that very much.

While I may feel my way through these first estimates as the critic, there are a number of areas of responsibility which are covered by MTC and with which I am familiar because of the overlapping needs of tourism. I might refer to some of those areas.

**8:30 p.m.**

The process of estimates is rather brief for a ministry that spends an estimated \$1.5 billion. It is perhaps the only real opportunity there is to question the minister and his staff on the basic aspects of the ministry. As you say, it is all spent, but perhaps we can influence some of your programs.

However, there is always a lack of research resources to fully prepare for an adequate analysis of the complex undertakings of the various divisions and departments and the boards under the jurisdiction of the transportation ministry. I would like to make some specific comments under the various votes, as related to the estimates. I know we will be coming back to discuss these later on.

I note under vote 2801 we have a very large, staggering \$9.5 million for the 1986 world exposition in Vancouver. I believe this includes some \$7 million for construction of the Ontario pavilion and \$1.9 million for professional and consulting fees. This seems like a lot of money and I am sure the minister will want to enlarge on this when we get into that vote.

I would like to ask the minister if this is the total amount to be spent on Ontario's participation at Expo 86, and will other ministries and agencies of the Ontario government be financially and otherwise involved, including the Urban Transportation Development Corp. Ltd., or is this mainly going to be proposed as a showplace for the UTDC?

On the provincial highways, the decrease of approximately \$32.8 million for capital and construction estimates from 1983-84 is one we



would like to discuss. It continues the disturbing trend from 1982-83, when an actual amount of \$254.6 million was spent, and now the 1984-85 estimate of \$203.8 million, which is about a \$50-million decrease. I wonder if the minister might explain why this is declining. Ontario will need better and safer provincial roads and additional linkages in the network.

What about the deteriorating situation regarding the provincial highways in the north and in eastern Ontario? Perhaps the minister noticed last summer a number of letters appearing in some newspapers entitled, "Yours to Discover," which is Ontario's slogan. Some people are saying you should discover some of the highways they had to travel over. Perhaps the minister might want to talk about that.

What about the long overdue limited access road to connect Ottawa with Highway 401? There is a myriad of missing links throughout the province, and sections of existing highways that are clearly dangerous and have been labelled as such. There is a number of these highways and I hope we might talk about that.

In your opening remarks, you talked about the good job you are doing on the highways north and south. You mentioned Highway 11, but one of the missing links is a proper east-west access. You might want to bring us up to date on the progress of Highway 89.

**Hon. Mr. Snow:** Oh, I would love to.

**Mr. Eakins:** Great. I hope it is moving ahead and it is going to be completed. The last I heard it was.

**Hon. Mr. Snow:** I am so glad you asked about that.

**Mr. Eakins:** For instance, anyone wanting to visit Canada's Wonderland and who wants to come not only to the Victoria-Haliburton area but to Peterborough and eastern Ontario will find it very difficult to find a route east and west. Therefore, there is a great need to connect not only Highway 400 to 11, but also to connect to Highways 7 and 12. I think in the interest of tourism and ease of routing about the province, we need to take a look at more of these missing links. I would like you to bring us up to date on that and perhaps some of the other areas, especially east-west linkage.

I note the increase in maintenance costs, from \$197 million to \$200 million, which is approximately only \$3 million, really less than the rate of inflation. The ministry has either discovered the secrets of efficiency or, as I suspect and have experienced, a great deal of maintenance is being deferred.

I note the amount of \$24 million for GO-ALRT, the so-called advanced light rail transit program, the extensions to the existing GO train along the lakeshore. When this amount is added to the \$25 million spent in 1983-84, almost \$50 million will have been expended, and this is for a transit system that still does not exist, nor do I believe it is being tested. I believe that a vehicle has yet to be completely fabricated.

Furthermore, there is a reference on page 55 to the government of Ontario advanced light rail transit route for northern Metropolitan Toronto. I was under the impression this line was recently shelved, according to the *Globe and Mail* of November 27. The minister may want to explain that.

**Hon. Mr. Snow:** Do not always believe the *Globe and Mail*.

**Mr. Eakins:** It is a very reliable newspaper.

**Hon. Mr. Snow:** I note you rely on that paper for your research.

**Mr. Eakins:** The *Globe and Mail* is well read and I know you read it.

On page 56 there is a reference to \$41 million paid by the Board of Industrial Leadership and Development for the UTDC contract and construction. Is this in addition to the ministry's own estimate of \$24 million for 1984-85? What is the total amount of all government funding for the GO-ALRT program to date and what are the total current estimates, broken down into the various components?

In the municipal roads, I notice the modest increase in the estimates from \$501.6 million in 1983-84 to \$520.3 million for 1984-85. Again, this is less than the rate of inflation, although the need for capital construction and maintenance for municipal roads is more than evident throughout the province. I am sure you have a pretty good monitoring system.

In my own area alone, I noticed recently the many comments passed by our municipal councils in regard to the state of their municipal roads. The corporation of the county of Haliburton—

**Hon. Mr. Snow:** I toured the municipal roads in your area this summer.

**Mr. Eakins:** That is right, and we appreciated it.

**Hon. Mr. Snow:** I had a very enjoyable day with your people.

**Mr. Eakins:** They are great people, and next time I will be with you.

**Hon. Mr. Snow:** Are you crossing the floor? Are you running as a Tory next time? Are you showing your true colours?

**Mr. Eakins:** Not when you can win as a Liberal.

**Hon. Mr. Snow:** Oh, you like sitting in the opposition, I see.

**Mr. Chairman:** You can win it either way.

**Mr. Eakins:** Following your trip, I noticed that the county council of Haliburton on November 21, just a couple of weeks ago, passed a resolution addressing the concerns expressed by the Ontario Good Roads Association. It was respecting the inadequacy of the funds made available by the government of Ontario for the municipal roads subsidy, as expressed in their brief to the Ontario—

**Hon. Mr. Snow:** I think we had 124 municipalities endorse that resolution.

**Mr. Eakins:** Is that right? It shows there is a lot of concern. The Bobcaygeon Independent is stating the county roads of Victoria need \$4 million spent on maintenance. There is the Lindsay Daily Post which says, "Pay now or pay more," about the municipal roads situation there. That is just one example of what is happening across the province, so we will be wanting to discuss that.

**Mr. Stokes:** The question is, will they announce the election?

**Mr. Eakins:** Then their money will come out. I agree with you.

**Hon. Mr. Snow:** If that will happen, let us call the election tomorrow.

**Mr. Eakins:** I note that in 1983-84, \$8.06 million was provided to municipalities for transportation services for the physically disabled, and the estimates call for an increase to \$8.3 million. I believe there is certainly a need for greater allocations and support in that area.

My party goes on record as being deeply concerned over the spending priorities of the Ministry of Transportation and Communications. We view with great alarm the continuing escalation in spending relating to the Urban Transportation Development Corp.

The UTDC has been described by my former colleague and critic—and I am sure you miss him here tonight—he has often referred to it as, "existing as a parasite, snatching provincial funding for its own aggrandizement at the expense of other necessities, including the provincial highways and the municipal roads program."

The UTDC's direct involvement in the GO-ALRT scheme is certainly quite questionable. We dispute the rationale for GO-ALRT and we must question its potential success. We view

GO-ALRT as simply a concept predicated on the order book of UTDC and its continuing existence. The sooner it is privatized perhaps the better it will be for all, much in the manner of Suncor.

**8:40 p.m.**

The UTDC's other schemes, in Vancouver, Detroit and Scarborough, might be described as ticking time bombs, characterized by a great deal of—

**Hon. Mr. Snow:** Did you hire Eric to write this?

**Mr. Eakins:** I will tell you, Eric is very knowledgeable and he has been pretty dead-on on much of this.

**Hon. Mr. Snow:** No, no; he has not.

**Mr. Eakins:** We view these three projects with great foreboding.

**Hon. Mr. Snow:** We will invite you to the opening of Scarborough. I think it is March 22 or 23.

**Mr. Eakins:** I will look forward to that. We have deep reservations about the amounts being estimated for provincial highways and for municipal roads. We would like to see more allocations in these areas.

**Hon. Mr. Snow:** We might even invite you to go out to Vancouver.

**Mr. Samis:** Now that is an offer.

**Mr. Chairman:** We will consider that one.

**Mr. Eakins:** In addition, we would support considerable more transfer payments to the municipalities for transportation for the physically disabled.

Regarding the Public Commercial Vehicles Act review and the whole area of revised trucking regulations, we would like to see a little more time being taken to thoroughly review the many proposals being considered before new legislation is introduced. Too much haste in drafting a new bill may prove to be unwise in the long term.

The special transportation problems in northern Ontario deserve continuous and careful attention by those concerned. We must encourage the government not only to improve the facilities there, but also to properly maintain what already exists.

Recent financing problems encountered by Canada Coach Lines in Hamilton brings to light the needs in the entire area of interurban bus service. A revised and more realistic outlook is long overdue.

As for municipal transit, operating and capital subsidies are very commendable but they must at least be maintained and even improved.



We question the direction of the minister to the Toronto Transit Commission prohibiting public tendering for rail vehicles in favour of the UTDC as the sole supplier.

There are several other areas I will want to touch on. I do not know what has been discussed in the past in this regard, but I would like to see greater interministerial co-operation. I know you have an interministry committee that meets, but it seems to me not much is accomplished in many areas. With regard to highway signage, for instance, I think there can be a great improvement across the province tying in our highway signage more effectively with the tourism opportunities.

One of the great tourism areas that comes to mind is in my own area, and that is—

**Hon. Mr. Snow:** I would be surprised if you did not mention that.

**Mr. Eakins:** —the area of Bobcaygeon. Many people of this province go up to Bobcaygeon. When you approach the outskirts of Lindsay, in order to get to Bobcaygeon you must turn where the sign says "To Peterborough" in order to reach Highway 36, approximately 1.5 kilometres down the road. Then you turn north to Bobcaygeon. Many who do not know the turn end up in Lindsay and are very unhappy that they have missed reservations and it has taken longer to get to Bobcaygeon. Surely if you can put Peterborough on a sign—

**Mr. Stokes:** What do they have against Lindsay?

**Mr. Chairman:** Yes, what do you have against Lindsay?

**Mr. Eakins:** I was just saying we are allowed to have them in Lindsay—

**Hon. Mr. Snow:** When I first met you, you were mayor of that city.

**Mr. Eakins:** That is right. I am happy to promote Lindsay, but I also want to promote Bobcaygeon. Surely there is nothing wrong with putting up a directional sign for Bobcaygeon. However, I have contacted your people in Port Hope and they say, "No, no, the regulations say this." So there is no point contacting the people in Port Hope.

We are the people who can make these changes and I urge you to make our highway signage more realistic. Surely you could put Bobcaygeon on a sign with Peterborough so that they know when they turn east for 1.5 kilometres they are going to see the sign, "Highway 36 Bobcaygeon." I think that is only common sense.

Another area is on Highway 46, where we have one of the four world lift locks, in the village of Kirkfield. You have signage in Peterborough, because it ties in with the highway there, but the people in Kirkfield and the Victoria county tourist people wanted to erect a sign which had been designed by the Trent-Severn people. Your people said they could not put that up, they would have to use that one small arm saying something about the lock. Every lock has this little finger board.

Since this is a tourist attraction, surely they should be able to put up special signs indicating they have one of the four world attractions of this nature. There are two lift locks in Ontario, not just the one in Peterborough; there is another at Kirkfield. Overall, this is an example of what happens across the province and I would like to see your ministry consider improving our highway signs.

I would also like to hear, during your reply, what your part is in the drinking and driving program. The main minister involved seems to be the Attorney General (Mr. McMurtry). At Christmas, he comes out with a program saying we must get these terrible drinking drivers off the roads. I think the answer has to be a complete review of the use and abuse of alcohol in Ontario.

I know it is not a responsibility of your ministry alone; the government has to examine it. If you are going to do your part in making our roads safer, we have to look not just at the penalties people incur, but the problem itself. The problem is alcohol and we should be having a look at the policies. I know our tourism people think they should be more relaxed. Others think they should be tighter.

Availability and consumption run hand in hand and I would like to see your ministry come up with some innovative thoughts on this and how it might be dealt with. I do not say this critically because it is a very big subject. However, it is one we can no longer ignore and just simply add penalties. How can we prevent incidents from happening in the first place?

Under Bill 136, we were discussing additional time for lighting on cars and extending the time of sunrise and sunset. I would like you to consider a law which is in effect in the United States. I do not know about all the states, but certainly in Georgia and Tennessee, if it is raining and you need your window wipers, you must also use your lights. That is something you might include in this bill. I have experienced it there. I know people who live there and they think it is a great idea. Wherever they travel, they



automatically turn on their lights at the same time as their windshield wipers.

These are just a few of the thoughts to which I would like you to give some consideration and we can discuss them as we go along. I appreciate having the initial opportunity to discuss your estimates.

**Mr. Samis:** Mr. Chairman, once again, on behalf of our party, it is a pleasure to participate in these exercises and I want to take the opportunity to welcome Mr. Eakins to the process.

I want to say I also miss the former member for Wentworth North, Mr. Cunningham. I am sure the minister, like me, regarded him as a knowledgeable critic, a man with a razor-sharp wit, an acerbic sense of humour, a deep, abiding love for Tories of all colours and stripes, and a passion I have seen in few people for the Urban Transportation Development Corp. I am sure we will all miss those characteristics which the member for Wentworth North brought to these proceedings.

In the true spirit of the season, I want to throw a few kudos the minister's way. First, I want to congratulate him for the brevity of his speech. I hope he sends a copy of it to the Minister of Labour (Mr. Ramsay) to show him what a minister can do in 10 minutes versus five hours.

**Hon. Mr. Snow:** I will do that.

**Mr. Samis:** Good. Second, while complimenting him for his brevity, I think he also deserves congratulations for his longevity in office. He has obviously outlasted Allan Grossman.

**Hon. Mr. Snow:** But, however—

**Mr. Chairman:** Do you have a "but" or a "however"?

8:50 p.m.

**Mr. Samis:** The minister is getting four kudos today, in the true Christmas spirit. He has confounded his critics left and right by outlasting most of them, and that is a mark of which he has a right to be proud.

**Hon. Mr. Snow:** Every year I make an offer to the House leaders to go early with my estimates, in May or whenever, but every year the opposition wants to leave my estimates until December.

**Mr. Samis:** It is not us; it is the House leaders.

**Hon. Mr. Snow:** I dislike doing them in the Christmas season.

**Mr. Samis:** That is right; it gets me all worked up for this type of presentation.

The third compliment—this is getting pretty heavy—is that I want to congratulate the minister for his generally nonpartisan approach towards the ministry. In that respect, he stands in good stead compared to some of his colleagues in cabinet.

Fourth, and finally, I believe the ministry overall is generally well administered, and the minister should take credit for that. I am glad to see he is not wearing a Larry Grossman button, badge, sticker or anything of the sort this evening; I think anybody in his ministry would be proud of the fact that he is not and it is now "Miller time."

Two years ago, I recall, the minister was handing out cigars to the opposition critics. Last year there was nothing. This year, all we get is a "Miller time" badge. Especially with Mr. Eakins here, I think you should be able to show some sign of Christmas hospitality and spirit.

**Hon. Mr. Snow:** We will bring in a case of Millers for Thursday night.

**Mr. Samis:** Okay; we just want to see some of your campaign punch.

**Hon. Mr. Snow:** I am sorry about the cigars; I really should be giving you—

**Mr. Stokes:** If you are going to get political, so am I.

**Mr. Samis:** Safety is in the boots.

**Hon. Mr. Snow:** I apologize for the cigars. I should be giving you three cigars each this year.

**Mr. Samis:** Three of them?

**Hon. Mr. Snow:** This summer I had three grandchildren presented to me: two boys and one girl.

**Mr. Samis:** Another kudo.

**Hon. Mr. Snow:** So you should get three cigars.

**Mr. Samis:** We will accept them Thursday night when we do the roads budget.

Now that I have the kudos out of the way, we will move on to the less congratulatory aspect of the remarks. This has been a difficult year for the ministry in a variety of ways and it is obviously manifested in the roads and highways aspect.

Last year we learned that as a percentage of the total provincial budget, the ministry budget hit the six per cent mark, its lowest level in 25 years, compared with the 1960s when it was in the 25 per cent range and the heyday of the 1950s when it soared to the 30 per cent range and even in the declining years of the 1970s when it was in the nine to 12 per cent range.

**Hon. Mr. Snow:** That was before Larry.

**Mr. Samis:** That is right; before Frank, not just before Larry.

In last year's estimates I pointed out that the budget of this ministry had not risen by even half the inflation rate and that the increase in the highways budget was a mere \$14 million or less than one per cent. For municipal roads, it was less than one tenth of one per cent, which is tantamount to a freeze. Since 1975, we know there has been a 12 per cent reduction in real dollars for road system funding, with the result that the Ontario Good Roads Association has declared that 28 per cent of all municipal roads and streets in Ontario are inadequate.

Since last year, have things improved? Has Larry Grossman done anything to improve the situation? Has the minister been able to reverse the decline? Unfortunately, the news is pretty bleak. Little Larry has virtually cut the minister down and off at the knees and accelerated this ministry's declining role in the provincial budget. Just take a look at the figures. The total budget for the ministry went up by an infinitesimal \$8,017,481, from \$1,531,000,000 to \$1,539,000,000.

I want to make it clear that I do not blame the minister, because I am sure the very least he wanted was a five per cent increase, merely to keep abreast of the inflation rate. The fault lies with the Premier (Mr. Davis) and the ambitious, aspiring member for St. Andrew-St. Patrick (Mr. Grossman), who I am pleased to note does not have the support of the member from Oakville in the upcoming leadership race.

**Mr. Stokes:** I wonder what kind of a commitment he got from Miller?

**Mr. Samis:** That would be interesting to know.

**Hon. Mr. Snow:** I am going to be Minister of Community and Social Services.

**Mr. Samis:** Bring back the member for Prince Edward-Lennox (Mr. J. A. Taylor); we want him.

It is bad enough that the ministry budget has remained virtually frozen and has declined in real dollars, but look at the provincial highways budget in the ministry's overall budget. It has declined from \$531 million in last year's budget to \$498 million in this year's budget, a drop of \$33 million or about six per cent. To put that figure in further perspective, \$498 million represents a decrease of almost eight per cent from the 1982-83 level of \$541 million. So, in the past two years, the provincial highways

budget has declined by some \$43 million while the inflation rate has increased by some 10 or 11 per cent.

I am pleased to see the budget for municipal roads has been increased by some \$18 million this year. That seems to be offset by a \$25-million decrease in the budget for provincial transit, bringing it back to a level \$2 million below the 1982-83 level of \$97 million.

Returning to the highways budget, I am pleased to see the maintenance budget is up by \$13 million, but I am distressed to see the capital construction component is down by \$32 million from last year and down by 20 per cent from the 1982-83 level.

One of the reasons these figures are important is a report published earlier this year by TRIP Canada, The Road Information Program of Canada. I want to quote briefly from Bruce Evans, chairman of the Ontario chapter of TRIP Canada.

"Ontario's highways are approaching a critical stage in their life cycle. While only 8.5 per cent of the primary system needs immediate attention, another 33 per cent will deteriorate in the next five years. If we do not maintain infrastructure now, the cost will be horrendous."

Mr. Evans made the point that the Ministry of Transportation and Communications completed work on 1,089 kilometres of highway in the fiscal year of 1982, spending \$115 million, whereas his organization's study recommends that the ministry spend \$173.6 million to provide surface treatment on 1,776 kilometres annually. The backlog of road needs is growing by almost 700 kilometres annually, and 7,061 kilometres of road are expected to deteriorate from good to fair to poor conditions within the next five years and will need extensive repairs.

The TRIP Canada report recommends that the ministry spend \$574 million in the next five years to resurface 7,660 kilometres of roads and \$293 million to reconstruct 1,223 kilometres of roads. We all know what the chances of that being accomplished are, with the budgetary cutbacks being inflicted on this ministry by the Treasurer (Mr. Grossman) and the Management Board of Cabinet.

I know the minister will point out in rebuttal that the TRIP Canada report mentioned Ontario's figure of pavement deficiency is less than half that of Manitoba and considerably less than that of Prince Edward Island, but I emphasize the point made by TRIP Canada that delaying necessary repairs—



**Hon. Mr. Snow:** Less than any other province.

**Mr. Samis:** They have only done three provinces.

**Hon. Mr. Snow:** No; they are up to about eight now.

**Mr. Samis:** That does not negate the point made—

**Hon. Mr. Snow:** The Globe and Mail researcher is a little behind.

**Mr. Samis:** No, it is beyond the Globe and Mail. This made the Lindsay Daily Post once. You do not read those papers.

**Mr. Eakins:** And the Haliburton County Echo and Minden Recorder.

**Mr. Samis:** There you go; it is all across the province.

I emphasize the point made by TRIP Canada that delaying necessary repairs can triple the eventual costs since road surfaces which now could be saved by resurfacing will eventually deteriorate to a condition that requires complete reconstruction, a much costlier process.

No one is talking about building all sorts of expensive new superhighways. Instead, we are talking about saving and improving what we have. We have reason in Ontario to be proud of our highway system, but to ignore those needs or to drastically cut the highways budget means we will pay for it in the future, and that is a concern to every taxpayer and motorist.

I notice in your strategic guidelines, page 20, you have this to say: "The priority for MTC's maintenance and rehabilitation activities will continue in the future and a deterioration of infrastructure, as evident in many parts of the United States, will be avoided in Ontario."

You also talk about concern for the condition of the secondary highway system, "particularly in northern Ontario, which must be addressed through joint efforts of MTC and the Ministry of Northern Affairs. Over the planning period 1984-89, maintenance and rehabilitation of the roads and highway infrastructure will receive top priority in the allocation of funds available to the ministry's highways and municipal roads programs." I trust you will inform Larry Grossman of that, or whoever is the next Treasurer.

Before I leave the overall topic of roads and highways, I want briefly to raise some related matters. I will leave the rest to the specific vote, which will be coming up on Thursday night.

I want to ask what is going on in the case of something dear to the minister's heart, namely, the Burlington Bay Skyway. I quote from his

favourite newspaper, the Globe and Mail, of last week. The article is entitled "Naming of Burlington Bridge Back to Haunt Queen's Park." It says, "A controversy over the naming...arose again when Halton region residents and representatives demanded a retraction of the province's recent decision to rename it after a provincial politician."

A petition is obviously being sent to the Premier. The petition has been endorsed unanimously "by Halton regional council, Burlington city council and the Burlington Chamber of Commerce and approved by Hamilton Mayor Robert Morrow."

**Hon. Mr. Snow:** The mayor of Hamilton sent his resolution in wanting it renamed the Hamilton Skyway.

**Mr. Samis:** The article says "approved by."

**Mr. Stokes:** Burlington wants it to be the Kerr Skyway.

**9 p.m.**

**Mr. Samis:** Anyway, the article goes on to say they have collected 4,000 names and expect 25,000. The point they seem to make is that people were upset because a decision to change the name was made without any consultation with area residents or their representatives in local government. We literally heard it on the six o'clock news. I ask the minister to respond to this because it is in his own bailiwick.

Second, I want to make my annual point about the need for rest areas on our four-lane highways. I will not repeat the arguments again this year. However, I did have the opportunity to travel through the states of Vermont, New Hampshire, Maine and Massachusetts again this fall. I was struck by the presence, the regularity, the frequency and the overall beneficial effects of these roadside rest areas.

Last year you told us you were working with the Ministry of Natural Resources, the Ministry of Tourism and Recreation and your boss in the north, the emperor, the Minister of Northern Affairs (Mr. Bernier), to review the whole matter and to come up with a master plan.

**Hon. Mr. Snow:** The czar of the north.

**Mr. Samis:** No, the emperor. The plan had been submitted to the Management Board of Cabinet, but it had not been submitted to the cabinet at the time of last year's estimates.

I know how some of my colleagues from the north have difficulties coping with the notion that the north—believe it or not, Jack—might be the first area to receive attention in a matter like this. It bothers their pseudo-endemic sense of para-



noia which, I have to say, is frequently well justified.

I would like to know from the minister, first of all, where things stand with the master plan; second, what initiatives we can expect; and third, what he is going to do for the south of the province.

**Hon. Mr. Snow:** Is this still on rest areas?

**Mr. Samis:** Yes. The final matter I want to raise in relation to highways is the ministry's policy on special designation signs, already referred to. I know the minister has been under considerable pressure from officials in Hamilton, London and other areas to provide some sort of provincial promotional identification for their municipalities.

The minister has refused them point-blank on the basis that the signs in Toronto are considered to be unique and that similar signs will not be provided for any other municipalities in the province. What would be so wrong in doing that if it could be done on a controlled basis with clear-cut criteria? It would certainly help the tourist industry and would even aid Ontario residents travelling across the province.

I recognize the guidelines for such special signs would have to be clear-cut and rigidly enforced, but I ask again, "What is so wrong about the idea?" Are you totally inflexible on this? Surely the smaller municipalities are the ones that need help to compete with the power, money and so-called glory of big cities such as Toronto.

Before totally leaving the question of highways, I want to raise the subject of dangerous goods legislation and the incredible delays we seem to be experiencing at the federal level. We passed legislation in Ontario about three years ago; it was to be tied in with parallel legislation at the federal level so we could have consistency and equity applied in both jurisdictions.

However, it seems we are continually waiting for the federal government to get their regulations act together. What is the story this year? Where do we stand? What are the prospects? What are the obstacles this year? When can we realistically hope to see dangerous goods legislation become a reality in Ontario?

I would like to switch to the marine, rail and air components of the ministry. Starting with the marine branch, I want to commend the ministry for commissioning the study on Ontario ports and their future. That is a mode of transportation that has tended to be ignored in the past at the provincial level.

I am pleased to see, with the Misener report on the Great Lakes-Seaway and the Peat Marwick and Partners study of our Ontario ports, that we now have a study and inventory of our marine facilities and their role in the overall transportation picture in Ontario and the Great Lakes region.

Since I come from a city that calls itself the Seaway City and serves as the headquarters for the St. Lawrence Seaway Authority, the recent Peat Marwick report held a particular interest for me. The report raises some questions I would like to raise in the marine vote. I hope we will have time to discuss some of the issues relating to marine transportation, such as the future of the St. Lawrence Seaway, the possibility of co-ordinating ferry services under one jurisdiction and the prospects for port expansion on the Ontario side of the Great Lakes.

Turning to the air office, the ministry's program of expanding airport facilities in smaller communities in eastern and northern Ontario over the past year has been an excellent one. It has served to strengthen and improve the infrastructure of the less developed regions of the province. In my own area, it was decided not to take advantage of the ministry's funding program in favour of an even more attractive offer from the federal government.

**Hon. Mr. Snow:** There is nothing left for us to do except—

**Mr. Samis:** I am not blaming you.

**Hon. Mr. Snow:** We are building the road to the airport.

**Mr. Samis:** I agree.

**Hon. Mr. Snow:** Mr. Lumley offered you 100 per cent funding.

**Mr. Samis:** Right; that is what I am saying. Interjections.

**Hon. Mr. Snow:** It did not do him a hell of a lot of good.

**Mr. Samis:** You are taking the words out of the script.

**Hon. Mr. Snow:** We are going to name it Lumley International Airport.

**Mr. Samis:** It was an attractive offer from the federal government through our former federal member, who in some ways often proved to be too good to refuse, although there was some considerable local opposition about the site.

**Hon. Mr. Snow:** It was very unfortunate. They invited me to the opening of Lumley International Airport.

**Mr. Samis:** Really? Who did they send down?

**Hon. Mr. Snow:** It was on a Saturday morning. I got the invitation on the Friday morning.

**Mr. Samis:** It was wall-to-wall politicians. I have never seen so many in our area.

**Hon. Mr. Snow:** If the weather had been good I would have flown down in my own airplane, landed there, made a grand entry and so on. However, it turned out to be a bad day.

**Mr. Samis:** We have never seen one of your grand entries. You are depriving us.

**Mr. Stokes:** Did they do it all in one day?

**Mr. Samis:** Believe it or not, yes.

**Mr. Stokes:** The federal government did it in Kapuskasing. It did it on three separate weeks.

**Mr. Samis:** Was it election time?

**Mr. Stokes:** Yes.

**Mr. Samis:** I am sure the visiting cabinet ministers, as well as the business community, will make use of it in the days ahead.

Before leaving the air office, I would like the minister to report to the committee what role his ministry is playing in the on-again-off-again proposed short takeoff and landing service between Toronto and Montreal, what discussions he has had with the federal government about the situation and what position he has been advocating in those discussions with the federal government.

The rail office has been pretty low-key this year, but there are still some real issues to be addressed. The continuing erratic nature of the Via Rail passenger service in the Windsor-Montreal corridor is a source of concern, especially in view of the disappointing record of the LRC, the light, rapid, comfortable train.

I hope the minister has spoken to his federal colleagues about the serious need to upgrade Via Rail's stock of locomotives and passenger cars to make it an effective and competitive mode of transport in Ontario. This means an investment of several hundred million dollars, but the alternative to that is likely to be even costlier in the future.

The new federal minister has spoken of restoring and improving passenger services in Canada, but the recent cutback in rail subsidies to Via Rail and the cancellation of the deal to acquire repair facilities in Montreal strictly for Via trains do not bode well for the upcoming years of the Mulroney era.

I want to put our party's position on record. We are opposed to the idea of removing cabooses

from freight trains because we believe it will result in a serious decrease in safety to the general public.

**Mr. Eakins:** You did that, Jack.

**Mr. Stokes:** I did not.

**Mr. Samis:** No, Jack did not have to prompt me for that one. We believe the end-of-train units and the hotbox detector systems should be used as additional safety features and not as features to remove the caboose.

Speaking of dangers and safety, we still have a way to go in the transportation of dangerous goods by freight trains. I congratulate the Metro Toronto Residents Action Committee for its efforts to pressure the federal government to improve safety standards and measures, especially in major metropolitan areas such as Toronto. We have made progress in the past four years, but we still have a way to go and we should not become complacent.

I also ask the minister to report on any representations made by either himself, his office or the rail office regarding the proposed changes or abandonments of rail service in northern Ontario.

Turning to the minister's ongoing foray into even greater public ownership in the transportation sector, namely, the Urban Transportation Development Corp. and its growing list of subsidiaries and its expanding role in the field of transportation, our party supports those initiatives because we believe there is a real and positive role for government in the transportation field.

This does not mean we agree with everything UTDC does, because we do not. However, we support the idea of developing Ontario-based technology and manufacturing capacity because it means jobs and growth opportunities that can help solve the transportation problems of both our cities and the needs of intercity transport.

I have a series of questions to raise on the operation of UTDC, but I will defer those until tomorrow when Mr. Foley is here.

I would like to turn my attention to the minister's ambitious, grandiose, multibillion-dollar government of Ontario advanced light rail transit program for the region stretching from Hamilton in the west to Oshawa in the east.

I know the minister claims everything is okay and things are proceeding as envisaged in 1982 when he unveiled the plan in a Hollywood-style, grand opening, media event. However, there are many contrary voices that argue the major components of the plan in the Toronto area are dead, as the northern metropolitan leg of the



rapid transit line was officially shelved and the Lakeshore line is being regarded as "a contingency plan" in favour of the scheme to increase conventional train service on GO Transit routes into downtown.

I know the minister will argue the original plan was projected over 20 years and things are going according to schedule on the Pickering-Oshawa and Oakville-Hamilton lines. He would have us believe the rest of the plan is only being delayed somewhat. However, there are those who believe the minister has lost his epic battle for funding the GO line in Metropolitan Toronto with his close friend the Treasurer.

**9:10 p.m.**

It is now doubtful that we will ever see an integrated GO-ALRT transit line across the north end of Toronto or an integrated GO Lakeshore line, either west to Hamilton or east to Oshawa. Instead, we will probably have the GO-ALRT line from Oshawa to Pickering, where commuters will transfer to the conventional GO trains. The same situation will exist in the west, where commuters will transfer at Oakville.

That is hardly satisfactory, to begin with, and the prospects for an integrated Lakeshore line or a northern GO line in Metropolitan Toronto are even dimmer as we see how the minister's good, close friend the Treasurer has put the boots to this ministry. The prospects for any real improvement in that regard are dim at best, especially in view of his campaign promise to balance the budget within two years.

This will mean cutbacks of \$2 billion. If we have had these cutbacks to the ministry's budget prior to the advent of Sir Lawrence from St. Patrick, I can just imagine what—

**Mr. Chairman:** Very good.

**Mr. Samis:** Did you like that one?

**Mr. Chairman:** I like that. Repeat that, will you, please?

**Mr. Samis:** Good. Get the tape tomorrow.

I can just imagine what will happen to the minister's plans if Larry becomes the Premier in January.

**Hon. Mr. Snow:** I may not have any.

**Mr. Samis:** That is right. You may not be the minister. We may have some new faces at the estimates next year.

I know the minister will refer to the proposed Toronto Transit Commission lines on Sheppard and Eglinton avenues as initiatives that his ministry has publicly supported. However, I believe the fundamental point is that hope for a GO-ALRT system across Metropolitan Toronto

is effectively dead for probably the next 30 years. This has to be considered a setback for the ministry and a dramatic scaling-down of what was envisaged in 1982 at the minister's gala unveiling.

On the southern or Lakeshore line, we will end up with a truncated system that will cost the taxpayers more than \$500 million.

**Hon. Mr. Snow:** You must admit it is a good plan, though.

**Mr. Samis:** It was quite an impressive media event, I must admit that. You will probably never get a chance to do one of those again. Even if Frank wins, those days are probably gone.

**Hon. Mr. Snow:** I am not so sure of that.

**Mr. Samis:** We will see. He is even more conservative than Larry. You know that; that is why you are supporting him.

On the southern or Lakeshore line—I will try again, Mr. Chairman.

**Hon. Mr. Snow:** It is always best to accumulate, you know.

**Mr. Samis:** I will try a third time. We will end up with a truncated system, with two very different types of technology, that will cost the taxpayers more than \$500 million.

Let me emphasize that we support the extension of GO rail service to Oshawa and Hamilton. We have done so for many years. However, we have serious reservations about the final package that these people will be receiving out of the power struggle between the Treasurer and the minister.

I regard the GO system as an excellent system for commuters in the greater Toronto area, and the province has reason to be proud of what it has done in expanding the GO system. However, I want to raise something that does bother me and many other people. I refer to the recent episode involving the chairman of GO Transit, Lou Parsons.

I do not deny Mr. Parsons the right to manage Frank Miller's leadership campaign or anybody else's. However, I do believe his attempt to manage the campaign and remain chairman of GO was unacceptable to the taxpayers of this province.

True, Mr. Parsons did ask for a leave of absence, but only after it became a public issue, and the taxpayers spent \$1,000 to get a legal opinion from J. J. Robinette on the status of Mr. Parsons under the Public Service Act.

Nobody denies Mr. Parsons the right to be a Tory. However, I think it is a bit much for Mr. Parsons to expect the public to endure his active



and open participation in the Tory leadership campaign and to allow him to continue in his chairmanship of GO.

I know he did not break any of the rules of government, but in effect we have a double standard in Ontario. Some civil servants are virtually barred from political activity, while others, such as Mr. Parsons, are allowed to display openly and in a brazen manner their Tory allegiance.

The minister should have immediately demanded that Mr. Parsons take a leave of absence when he was notified that Mr. Parsons intended to run Frank Miller's campaign. The minister should not have allowed Mr. Parsons to continue for a week or 10 days before he finally succumbed to public pressure. Mr. Parsons is a crown employee, albeit a part-time one. I find it repulsive that he would be so blatant about his political allegiance.

I hope the minister will insist that some form of updated guidelines be introduced so everybody can play by the same rules and take a leave of absence if he or she wants to participate directly in the political process. Otherwise, I believe it puts a cloud of doubt over the particular crown corporation or agency being directed or managed and serves to weaken public confidence in the objectivity and nonpartisan nature of its position.

Before leaving GO entirely, I want to raise a couple of matters related to the bus aspect of our transportation picture. For the past couple of years, I have raised the question of the need for a decent bus terminal in Toronto. I am pleased to see there seems to be some light at the end of the tunnel and to read that Gray Coach Lines has unveiled plans to erect a new terminal to replace the current, outdated facility at Bay and Dundas Streets.

However, it will be 1990 before the five million travellers who currently use the facility will be able to use it. Even then, it is not a certainty, because there are negotiations to be resolved before that project can be launched. I wonder what would happen if Gray Coach Lines were to accept the offer by Voyageur Colonial to buy them out. I ask the minister to outline what role his ministry is playing to get a decent bus terminal for downtown Toronto.

Another point I want to raise about GO and the Toronto Area Transit Operating Authority is the whole question of interregional authority and whether the ministry is still pushing for some form of super transit authority in the Metropolitan Toronto region, especially in view of what has happened to the GO ALRT plan in the past

six months in Toronto. If not, is he satisfied with the GO, TATO and Toronto Transit Commission division of authority, jurisdiction and services?

There is one final point before I leave this question, and that is a point raised by my colleague the member for Hamilton East (Mr. Mackenzie). He introduced a private member's bill to establish a law that would prohibit passengers from standing beyond a white line at the front of the bus where they could severely impede the vision of the driver. I understand some transit authorities have already done this in Ontario, but I believe the minister's response to Amalgamated Transit Union Local 113 was not particularly encouraging or positive when it made this request. I think the idea makes sense and the transit drivers deserve this form of legislative protection from unscrupulous or uncaring passengers. I must say I found the reasoning rather unconvincing in the minister's reply to Mr. Johnson's letter of April 4, 1984.

We in this party believe strongly in public transit and we support measures to expand ridership, whether by monthly passes, fare reductions during off-peak hours, special bus lanes, bus expressways such as those in Ottawa, transit passes as part of employee benefit packages, telebus arrangements, fare integration wherever possible and any other scheme to make public transit more efficient and more adaptable to the changing needs of the public. Strong public funding is essential to the continuing success of our public transit systems in Ontario.

I would like to turn to the question of trucking in this province. This is obviously a critical month. Everybody concerned knows that a new Public Commercial Vehicles Act is in the making and it was scheduled to be introduced in December 1984 for first reading and to begin the process of public discussion on the government's proposed new direction.

It is deeply regrettable, if not tragic, that the minister will be doing so without the approval or support of the Ontario Trucking Association, which has devoted thousands of hours to the development of a new trucking regulation system in Ontario over the past few years. The extensive consultative effort has broken down at this critical stage and apparently the government will be proceeding unilaterally, in effect. Maybe the minister will clarify that.

Now is not the time to debate the merits or content of the bill, but the minister has a duty to respond to some of the claims made by OTA regarding the process and the bill's introduction.

Let me state at the outset that I recognize the differences between the OTA's position and the ministry's, though regrettable, are not the issue here and now. Some differences were to be expected and some were probably inevitable in terms of the content of the bill. However, the OTA made several points on the process that merit clarification, explanation or rebuttal from the minister.

First, they said the bill was incomplete in many respects. Some of their committees had not completed their reports, or even started them in the case of the powers of the Ontario Highway Transport Board. They felt the bill should have been delayed until the spring session of the Legislature so the consultative process could have been completed before the legislation was introduced. I can understand the minister's desire to get the show on the road, but I ask the minister to respond to their request and explain why it could not be done that way.

If he intends to proceed, what about those committees that have not submitted their final reports and completed their input? What happens to them? Surely for the bill to proceed without the active support and co-operation of the OTA would severely undermine the ministry's efforts to update and administer the legislation, not to mention the minister's credibility with the very industry with which the ministry must have co-operation and support to make the legislation workable and effective.

**9:20 p.m.**

I want to reiterate our party's opposition to any policy of wholesale deregulation of the trucking industry in Ontario, because we simply do not believe it will work in the best interests of the industry. We recognize the status quo is no longer acceptable and changes had to be introduced to update and modernize the system or process of regulation, but we do not support any move towards American-style deregulation in our province.

Maybe the minister can update us on what is going on in Ottawa. Prior to the recent change in government, deregulation seemed to be the buzzword in Lloyd Axworthy's lexicon and haste seemed to be the order of the day. Now with Mr. Mazankowski as the minister, the haste or sense of urgency seems to have evaporated, but there seems to be some confusion as to how far this minister wants to move in the area of deregulation.

I would ask the minister to inform us about his discussions with his new federal counterpart and give us his view as to where the feds are heading

in terms of deregulation, especially as it applies to the transportation of goods in this country and, more specifically, interprovincial trucking.

Before leaving the trucking topic, I would like to reiterate my contention that we should be moving towards semi-annual inspection of heavy-duty trucks as recommended by both Dr. Robert J. Uffen and the Ontario Trucking Association. I want to express my regret at the loss of Mark Larratt-Smith to the Ministry of Culture and Citizenship. He was an able, conscientious, dedicated and first-class public servant and a real credit to the ministry.

Before moving to the question of safety, I want to spend a little time, since I know we never get to it in terms of estimates for discussion and questions, on the communications side of the ministry. I want to focus on one particular issue that affects millions of consumers in Ontario; namely, the question of deregulation of long-distance rates.

My colleague the member for Welland-Thorold (Mr. Swart), the consumer advocate in the Legislature, has made our party's position very clear in his submission to the CRTC in Ottawa, explaining our strong opposition to deregulation. Our federal party has taken a similar stand and the government of Manitoba has made its position very well known, but the government of Ontario has remained silent.

It is true the ministry had a representative at the hearing but the ministry failed to take a position one way or the other. Seemingly, it just sat on its hands. That is simply not acceptable in a province where we have almost nine million people, most of whom are avid telephone users.

We feel strongly because the independent study by Peat, Marwick and Partners, done for several provinces, including Ontario, and tabled on October 5, indicated that telephone rates would increase by 115 per cent in Ontario if the cross-subsidization from long-distance rates to local rates was totally eliminated. Even if there was gradual elimination, there would be hefty increases for consumers in Ontario. For example, with a 40-per cent drop in long-distance rates, there will be a 65-per cent increase in local rates.

For somebody in North Bay, the increase would be from \$7.40 to \$15.91 a month. For somebody in St. Catharines, from \$8.75 to \$15.10. If one lives outside the seven select cities in Canada, then the rates are going to go up and the increases could be drastic in some cases. In my case, residents of Cornwall will be subsidizing the residents of the large communities. In the



big cities, the residential users will be subsidizing the big corporations. There are also serious possible side-effects for the poor and people on fixed incomes, depending on the extent of the rate drop on long-distance calls sanctioned by the CRTC.

I do not want to belabour the point, but I do want the minister to tell us why his ministry took no stand whatsoever at the CRTC hearings. If he argues they can always make representations to the feds after the hearings are over, surely it would have made sense to get Ontario's position made known early in the game at the hearings so that the CRTC would have the benefit of Ontario's viewpoint as it considered its decision on the application.

Just before leaving the communications side, I would ask the minister if he can give any indication if the new Minister of Communications at the federal level, Mr. Marcel Masse, has revealed where he intends to go in matters related to the CRTC increasing the number of channels available to pay TV subscribers and whether or not pay TV operators and educational TV operators will be allowed access to the proposed new funding for the Canadian Film Development Corp.; and the question of regulatory control over satellite master television systems.

Turning to the perennial question of driving schools and testing, I realize the ministry is rewriting its safe-driving course and it should be ready by January, I presume. The results of an insurance industry study which revealed that drivers who take driver education programs have more accidents than those who do not, should make everyone take notice and force us to make some changes and reassess some of our assumptions about the whole process of driver education.

One reassessment has to be in the area of testing and education. I am pleased to see the ministry is actively engaged in that pursuit. I would appreciate some information from the minister as to what directions his people are heading in rewriting the curriculum. I am not asking for great detail, but I would ask for a general outline of where we are going and ask that it incorporate the following four points: (1) longer driving tests for students; (2) a greater emphasis on attitudes, especially on drinking and driving; (3) a greater emphasis on defensive driving; and (4) more classroom instruction.

One of the problems that should be assessed is why students are in driver education courses in the first place and to determine if there is some way the motivation can go beyond the simple

factor of their expectation of receiving lower premiums when they apply for insurance.

**Hon. Mr. Snow:** What was point 4?

**Mr. Samis:** More classroom instruction.

I noticed that Jack Shields, president of the driving schools association of Ontario, has gone so far as to suggest the government appoint a royal commission to study the state of driving schools and the question of lower premiums. I suspect few of us would want to go that far, except perhaps for a few greedy lawyers looking for some high-paying work. It underlines the need to look at the whole question of attitude and motivation, especially for young people.

There seems to be general agreement there should be some system of licensing driving schools in the province, except that the minister, in a letter to the late Mr. Renwick, former member for Riverdale, on March 9, 1984, claimed the idea was "not feasible at this time, given the current emphasis on deregulation and costs associated with such a regulatory initiative in these times of constraint."

I find that line of reasoning a little hard to swallow, especially when Sol Shapiro of the driving schools association said that his members openly wanted licensing, with actual regulation of the system overseen by a body of persons selected by professionals. Surely the costs would not be overwhelming, and surely the industry would be expected to share in those costs.

I want to congratulate the government for moving on the propane issue and for making inspections of all vehicles in Ontario mandatory, something that I and many others have advocated. It is recognition of the fact that some of the problems raised by me and my colleagues in the New Democratic Party caucus—and, of course, Michael Austin of the Propane Conversion School—were real and needed government attention, especially questions on the quality of the conversion work, the existence of unregistered conversion shops and vehicle component problems.

I would like to move to the question of safety in driving. The recent report on motor vehicle accidents—

**Hon. Mr. Snow:** I thought you were going to be brief.

**Mr. Samis:** I thought so, too. I got inspired in the last couple of days. You were so brief that you left a gap there, and Eric Cunningham is not here.

**Hon. Mr. Snow:** Just because I left some extra time, you do not have to use it all up.



**Mr. Samis:** We are getting near the end.

The recent report on statistics offered some good news and some bad news. I am pleased to see the total number of accidents declined and the number of injuries did likewise. The 5.8 per cent decline in fatalities involving motorcycles was especially good news. However, the increase in fatalities among passengers was disturbing, and so was the 9.2 per cent increase in motorcycle driver injuries.

The steady increase in the number of motorcyclists injured in the past four or five years concerns me, especially when we realize that from 1979 to 1983 the number of injuries has increased almost 41 per cent among drivers. We discussed the motorcycle situation in detail last year and I take the minister at his word that motorcycle safety remains one of his main highway safety concerns.

Last year I raised the question of probationary licences for motorcyclists. Once again I would advocate the introduction of such a system because I feel it would reduce accidents. The same rationale that applied to their introduction for motorists applies here as well, if not even more so.

I would again advocate some form of limitation in the size of a beginner's motorcycle, so that we can avoid the situation in which someone gets a licence for a 250-cc machine and then goes out and gets a 1,100-cc machine.

I am pleased the ministry has stiffened the driver's test for motorcyclists and I would hope that would have a beneficial effect on the statistics, although it is probably too early to discuss. The phrase "Mickey Mouse" was frequently used to describe the former test.

I strongly support stiffer tests for motorcyclists. I believe we should consider that rider training of some sort—I emphasize "consider"—be made mandatory for all prospective Ontario motorcyclists under a certain age. I believe Quebec did this last year for all new or re-entry motorcyclists and has had mandatory training for all prospective cyclists under the age of 18 since 1980.

Various safety organizations, such as the Canada Safety Council, offer courses to train motorcyclists. Gord Ronalds, the chief instructor of the Canada Safety Council, made seven very constructive proposals regarding testing and licensing of motorcycles. I would like to take them up with you under the appropriate vote.

**9:30 p.m.**

Before leaving the question of motorcycle safety, I would like to deal with the question of

attitudes in advertising, because they are important factors in the overall problem. There was a good article, written by Bruce Dawson, in the Kingston Whig-Standard on August 4 of this year which said the problem with motorcycle riders is that they do not know how to ride.

The article quotes Norman Hart, 11-year veteran instructor of the Kingston-based Canada Safety Council. He makes a very good point when he says: "It is the driver's mental attitude that will make or break him. Many people in this age group think they know what they are doing and no one can tell them anything different."

"We just cannot seem to reach this group and they are the ones who need it the most. We have visited every single secondary school in the Kingston area in an effort to convince young people in this age group to take the course, but the majority just do not enrol. They seem to be more interested in talking about the racing exploits of former motorcycle racing champions Yvon Duhamel of Montreal and Miles Baldwin of Toronto."

"We ended up talking to 14- and 15-year-olds who wanted to know what was the most powerful motorcycle going and how they could learn to race. We have stopped going to schools because we just were not reaching the group most in danger."

"And still motorcycle manufacturers push muscle as the main theme of their retail advertising campaigns. The manufacturers are selling the high-technology revolution on wheels. Many of the modern motorcycles are really wrist rockets, says Hart, who has driven bikes for more than 14 years. Powerful machines are okay if the driver knows how to handle them, but parking-lot racers just will not cut it. Speed and power are certainly the gist of the advertising and this tends to appeal to the younger crowd."

I think Mr. Hart makes a very valid point about the advertising and I would ask if the minister has had any discussion with the industry on using the powers of moral suasion to get them to modify or tone down some of their advertising and make it a little more balanced.

I notice the Insurance Bureau of Canada came up with some interesting suggestions on the whole question of licensing for drivers and I intend to raise those under the appropriate vote. However, suffice to say they are concerned about the relationship between young drivers, the use of alcohol and the accident rate on our highways.

I want to conclude my remarks by dealing with the question of alcohol and driving. The 1983 driving statistics for the province indicated that

41.8 per cent of drivers killed on our highways and roads had their driving ability impaired by alcohol and 9.2 per cent of the remainder had been drinking.

That means more than 50 per cent of the drivers killed had been drinking or were impaired at the time of death in the cases where there was a recorded occurrence of alcohol in drivers killed.

In the case of motorcycle accidents where a fatality occurred, the 1983 report says alcohol was involved in 65 per cent of the fatalities. At the national level, approximately 34 per cent of driver fatalities showed drivers with 0.8 per cent or higher blood alcohol content and 42.5 per cent of drivers had been drinking, according to the IBC. They also indicate that 30 per cent of injury accidents are alcohol related.

So despite all the publicity about drinking and driving, the problem persists. I think there is general agreement that while tougher laws may help somewhat, individual behaviour and social attitudes must change, and the best way to do that is to embark on a major grass-roots campaign in every community. These campaigns are more apt to have a lasting impact than the legal approach or seasonal publicity campaigns.

I support the initiatives of the federal government to toughen our laws in this session of Parliament and I think the program in Ontario to have photos on everyone's driving licence is a positive step. I congratulate the minister for finally getting some financial backing for that. It will help deal with the problem of thousands of drivers who are on the road illegally every day in this province.

I think the Attorney General deserves credit for his campaign to change public attitudes and I certainly believe he is on the right track in this regard.

I also believe there is a growing consensus among the public on several other related matters.

First, something has to be done about lifestyle advertising by the breweries in this province, on TV and in sports advertising, aimed at younger people. The ministry is hopelessly outgunned when it embarks on any kind of TV advertising campaign because there are probably 10 to 20 beer ads for every one on drinking and driving.

Second, the public apparently wants the drinking age to be raised to 21, an attitude I do not happen to share but I recognize the public is strongly in favour of such an increase.

Third, there should be limitations, if not outright abolition, of happy hours in our hotels and bars. I noticed that Massachusetts recently

passed legislation outlawing happy hours. Several citizen groups, police officials and even some people in the hotel and entertainment industry have endorsed such a move in Ontario. I will be interested to see how the government handles this one.

I am pleased to see that action is being taken on many of the recommendations in the interministerial task force report and it will be interesting to see if action is taken on some of the other recommendations dealing with the driving age, lengthening of licence suspensions, administration of licence suspensions, lower breath analysis content levels, driving curfews for new drivers, the need for data banks and a host of other recommendations.

Mr. Chairman, I know you will be disappointed, but that concludes my remarks.

**Mr. Chairman:** Thank you very much. I would like to thank the minister, first, for his brief remarks and both critics for their brief remarks.

Would the minister like to respond to the critics' concerns?

**Hon. Mr. Snow:** I certainly would, Mr. Chairman. I do not think we have done too badly. We have had myself and the two critics in an hour and a half of estimates.

**Mr. Chairman:** That is good, I think we are doing well.

**Hon. Mr. Snow:** I used only 10 minutes of that; they used an hour and 20 minutes.

**Mr. Eakins:** The Minister of Tourism and Recreation (Mr. Baetz) would only be on page 50.

**Hon. Mr. Snow:** I appreciate very much the remarks made by the honourable members and I would like to respond and answer some of their questions, starting, as we did, with Mr. Eakins.

I believe his first comments were with regard to Expo 86 and the approximately \$9 million scheduled for expenditure in this fiscal year. That is not the total cost of the Expo 86 project, as I recall, and Mr. Gilbert can tell me if I am wrong because he is chairman of the board.

My ministry was assigned the responsibility. The Premier asked me because Expo 86 is basically a transportation and communications oriented exposition. He asked Mr. Gilbert and I to be responsible for the Ontario government's participation.

An Ontario pavilion has been designed and is under construction. I believe the total cost for the Expo 86 project is approximately \$22 million over a period of four years.



**Mr. Gilbert:** That is the operation and everything.

**Hon. Mr. Snow:** Yes. The cost of constructing the pavilion is approximately \$11 million. This is a major exposition and I think it is important Ontario be there, as we were at Expo 67 in Montreal.

**Mr. G. I. Miller:** Where is it being held?

**Hon. Mr. Snow:** In Vancouver.

**Mr. Samis:** When we get to that vote, can the minister bring in a graphic display of what we are spending \$22 million on?

**Hon. Mr. Snow:** Sure, we can bring you anything. We had a press conference some time ago and displayed the model. We can have it here, or we can show pictures. The pavilion is being built in a very fine site right at the end of False Creek in Vancouver, not too far from the Vancouver stadium and quite near the main entrance of the Expo site. It is also quite close to one of the major transit stations that will be bringing most of the people to Expo 86.

Many of the provinces are building pavilions there, plus other countries and some corporations. It is going to be a major exposition.

**Mr. Stokes:** The federal government has one, too.

**Hon. Mr. Snow:** The federal government has a very major project in Expo 86.

**Mr. Eakins:** Where does the balance of the funds show?

**Hon. Mr. Snow:** In future years. There were some minor items last year. I forget what the expenditure was, but we just got started last year. This year there was design work. The consultant fees you referred to are mainly the first expenditure, for the architects and so on. They were Ontario architects.

**Mr. Eakins:** Who are the architects?

**Hon. Mr. Snow:** Zeidler Roberts Partnership, the same firm, I believe, that designed Ontario Place. I think they designed the Eaton Centre, did they not?

**Mr. Gilbert:** Yes, they designed the Eaton Centre.

9:40 p.m.

**Hon. Mr. Snow:** We had a competition, and many architects applied. We had a selection committee and ended up with Mr. Zeidler. I think he has designed something that Ontario citizens will be very proud of when we visit Expo 86.

It is not totally oriented towards transportation. Its purpose will be to sell the industries and tourism in Ontario. A great many people from all

over the world will be attending Expo 86. A major film is being developed to be shown in the theatre that is part of our pavilion, again advertising Ontario. It is very important that the province be represented at Expo 86.

Many of the states in the United States are having their own pavilions as are several Canadian corporations, such as Air Canada and Canadian National Railways, I believe.

**Mr. Samis:** Can I just ask how the size and cost of our pavilion compare with other provinces? Can you give us some perception on that?

**Hon. Mr. Snow:** I do not have the budgets of other provinces.

**Mr. Samis:** I mean, are we the Cadillac, the Oldsmobile or the Chevette?

**Hon. Mr. Snow:** I would say probably a Mercury.

**Mr. Samis:** The Oakville influence; I see.

**Mr. Gilbert:** Mr. Chairman, we should keep in mind, and this was pointed out particularly by British Columbia, that Ontario is the central focus for the development of both transportation and communications in Canada.

**Mr. Samis:** I want to make it clear I support having a good pavilion there, because obviously if it is a first-rate international affair in the manner of Expo 67, the potential for future growth and contracts far outweighs the investment. I just want to get some perspective on our costs compared to what other provinces are doing.

**Hon. Mr. Snow:** I do not know; I will see when we come to that. I do not know whether Mr. Gilbert can find out what the other provinces are spending. I believe our expenditure is quite small compared to the federal government's, but you would expect that.

One question raised was whether Urban Transportation Development Corp. is involved. The answer is not really. All Ontario industries will be encouraged to put on displays, and UTDC will probably have some space, as will other industries. However, they are not directly involved and will have no major expenditure in it. They do not need to; they have an \$800-million transit system that will be bringing most of the people to the fair and taking people between Expo 86 and the federal government site across town.

**Mr. G. I. Miller:** How is it progressing now?

**Hon. Mr. Snow:** We will get to that on UTDC. There are other issues, and I do not want to spend all the time on Expo 86. If there are



further questions on that, we can discuss them in the vote.

The decrease in the provincial highways budget is as disturbing to me as it is to other members. It is part of the process. As Minister of Transportation and Communications, I am not happy with the emphasis on provincial highways or municipal road systems as part of the restriction on funds the government has available. Of course, priorities are set by cabinet. I do not accept the perception that there is a deterioration in our provincial highway system. It is being maintained. Our top priority is to maintain our existing infrastructure.

The member mentioned the Highway 416 delay. I would not say there is one. We just opened the major part of the extension of Highway 16 this fall, and the part of 416 going into the city of Ottawa and to the Queensway, as agreed with the Ottawa-Carleton council, has been the subject of a major route study.

The committee that has worked on that, including all the municipal and provincial representatives in that area, has presented its report. It has been accepted by the regional council of Ottawa-Carleton and we now are in the process of completing the environmental assessment report for the section of the highway running from the outskirts of Ottawa into the connection to the Queensway.

It is like any other major project of that type in that there is somewhat of a controversy. Naturally, there are some people who disagree with the recommended route, but the environmental assessment report is almost complete now. I believe it will be submitted early in the new year. Then we will go through the environmental assessment process where everybody will have their opportunity. There probably will be a hearing required.

I cannot say what the Minister of the Environment (Mr. Brandt) will require. He will have to review our report, issue his recommendations, make the report public, wait for responses and then decide whether there will be a public hearing. We are going through that process.

My commitment to the region of Ottawa-Carleton is to complete the two-lane, first stage of Highway 416 up to Highway 16, at regional road 8, I believe it is. Then we will do a study on the section going through the city to connect with the Queensway. When the study is approved, we will start from the Queensway, work back with a four-lane section, to meet the present, completed, two-lane section. Then we will carry on four-laning the two-lane section and make it a

controlled-access highway right down to Highway 401 at Prescott. That is going along exactly as agreed with the Ottawa-Carleton regional council a few years ago.

The member refers to dangerous highways. I am not sure just which highways he means. I think we are doing a pretty good job in dealing with the dangerous highways. In Ontario there are two highways that I think of as being dangerous. One is Highway 11 between Barrie and Gravenhurst. We have just about completed putting the median barrier down and making it semi-controlled-access; I do not know whether that is the correct word. We are not controlling access to the existing commercial facilities, but we are putting in interchanges and the median barrier down the highway.

Since we have done that in the section between Barrie and Orillia we have cut down tremendously on the amount of accidents and deaths. That one is pretty well completed; I believe the last contract was awarded to tie into the four-lane section from Gravenhurst north.

The other so-called dangerous highway, in my estimation, is Highway 35-115 from Newcastle up to Enterprise Hill and over to Peterborough. We are well on our way there. There are a few more years to go yet, but I am sure Mr. Eakins is aware—he must drive that road once in a while—that we are coming around.

**Mr. Eakins:** Not often, but I do, and I know—

**Mr. Chairman:** I have a family member going to Trent University, and that is a dangerous stretch.

**Hon. Mr. Snow:** We are working from both ends, as we committed to the people in that area. We started from Highway 401 north. A second contract has just been completed. Another contract is ready to be awarded next year. We are up to the southern end of Orono now, and the next contract takes us to Cotton Road. Then I believe there are two more contracts to take us to the Highway 35-115 cutoff.

At the other end of the highway, a contract valued at about \$10 million was just completed this fall for a major section, from Highway 7B around to where Highway 115 hooks into the southern bypass. We are ready to call the next contract down to the Highway 28 interchange, and then we will be working from Peterborough down, to meet in the middle about 1990.

We are giving a lot of attention to and putting a lot of resources into the two so-called dangerous highways.

**Mr. Eakins:** How do you look on the secondary highways, the 500 routes?

9:50 p.m.

**Hon. Mr. Snow:** Many of the secondary highways are being upgraded. Working on highways is a continuous program. Highway 507, for instance, was in terrible condition.

**Mr. Eakins:** Yes, it was. There is a big improvement.

**Hon. Mr. Snow:** We have completed a number of contracts on that. We have one contract yet to go, for about seven kilometres—I think it is scheduled for 1986—and that will complete work on Highway 507. You can go around the province, we have a lot of secondary highways.

**Mr. Stokes:** There is Highway 614. You never mentioned one north of the French River, you never mentioned Highway 614.

**Hon. Mr. Snow:** Highway 614? We look after the area north of the French River just as well as we look after the south.

**Mr. Stokes:** I am very impressed with your knowledge of highways down here, Minister, but I just thought I would throw Highway 614 in to throw you.

**Hon. Mr. Snow:** I know a lot of highways in the north too. I travel—

**Mr. Stokes:** Come on up to Manitoulin Island.

**Hon. Mr. Snow:** I might as well be Minister of Northern Affairs too, because I spend as much time in the north as I do in the south. At any rate, if you want me to get finished here we had better keep going.

**Mr. Chairman:** We still have 25 minutes.

**Hon. Mr. Snow:** It makes me shudder every time you mention Highway 89. We have been in the environmental assessment process now for about four or five years. We have another hearing yet to be completed. We have approval for the major part of the route, but there is a small section for which we do not have approval, and we have to go back for another hearing. The section I am referring to is through the marsh area, south of Cook Bay.

My commitment is that when we get the environmental approval for the highway we will start putting it into a schedule, start acquiring the land and designing it. According to the law, I cannot do that until we get environmental approval. We were very disappointed when we went to the first hearing and we did not get total approval. The member for York North (Mr. Hodgson), who represents that area, and the member for Durham-York (Mr. Stevenson) are

very concerned as well; they would like to see that road completed. We will try to complete it as soon as possible after we get the environmental approval. My hands are tied. I cannot do anything until I get that.

**Mr. Eakins:** You appreciate there is a need for an east-west access.

**Hon. Mr. Snow:** I appreciate the need very much. We started talking about this seven or eight years ago, when I first met with Simcoe county council and Durham region and York region about this highway; that is when we agreed to proceed.

I have to say this was the ministry's first application for an environmental assessment, and it is probably one of the most difficult environmental areas, through the marshes. It has been a learning process, to some degree, with the Environmental Assessment Act, because it was the first application. We have had many go through since then with much less problem. That one has been a problem, but I believe we now have the final report in. The Ministry of Environment is assessing that and presumably in the near future we will get going with a new hearing for the final section.

You mentioned a number of missing links in our highway system. We certainly have a number of those. I can think of many, such as completion of Highway 404 to Newmarket and sections of Highway 403 that are missing and are needed to connect. Highway 406 it is not missing a link any more—we filled the missing link, which was opened this summer in St. Catharines—but our program calls for extension of Highway 406 down to Welland and that area. We are dealing with those as quickly as we can as funds are available.

Both members referred to our maintenance budget and the small increase. I can only attribute that to the very efficient operation of the highway maintenance operation under the administration of Margaret Kelch, who is the most efficient operator I ever heard of.

**Mr. Chairman:** I did not know who Margaret was, but I can see the one who is blushing back there must be Margaret.

**Hon. Mr. Snow:** Margaret is the executive director of highway operations and maintenance, and she is doing a tremendous job.

**Mr. Stokes:** Does that include winter maintenance?

**Hon. Mr. Snow:** Winter maintenance, summer maintenance, cutting grass—anything you want to know.



**Mr. Stokes:** There was a big improvement in our area last year.

**Hon. Mr. Snow:** All I can say to you is that the reason for the small increase is probably Margaret Kelch's very efficient administration.

Both members mentioned the north Metro GO-ALRT line. I assure you the north Metro line is not dead. If you had been reading your press releases, the information we have been sending out and the advertisements in the newspaper, you would have seen that we are in the process of our public meeting input at this time.

The initial studies for the north Metro line have been completed. Presentations are being made to all the municipal councils that are affected. The meetings have been advertised for public input into the initial stage of the line recommendations.

Of course, this is a long-range plan. There is no way we could build it all at one time. I said that when we announced the plan on October 8 a couple of years ago.

We have made tremendous progress on the GO-ALRT lines to date. There has never been a major public transit initiative that has made as much headway as has GO-ALRT. If you go out to the eastern line, you will see nothing but a lot of activity and construction going on. Next Monday morning, we are having a sod turning for the first contract on the western line. If you would like to come out to Oakville, the garden of Ontario, we would love to have you there next Monday morning—I think it is at 10 a.m.—for the sod turning of the first contract on the GO-ALRT western line.

The member mentioned the budget. If I recall correctly, it was \$24 million from our budget and \$41 million from the Board of Industrial Leadership and Development. That sounds about right. It was cut down. That was what was in the estimates, and then there was a restraint put on that. We are now down to \$57 million or \$58 million as the expenditure on GO-ALRT for this year.

You talked about total costs. The only section I can give you the total cost on from memory is the only one that has been established, the Pickering to Oshawa line, which will cost \$284 million. From the last report to Management Board of Cabinet that I have seen I believe our construction costs are coming in very close to what our estimated costs were.

The GO-ALRT program is proceeding quite well, although not as fast as I would like to have seen, because I had intended and recommended that we go ahead with the east and west extensions at the same rate of speed. There were

certain delays in the west in getting decisions; the east got ahead. Then there was the restriction of funds. Also, naturally, we are emphasizing getting one section completed and operating rather than playing along on two sections at the same time.

Municipal roads are of concern to me as well as to all other members of the House. We have had a relatively small increase in budgets over the past years. There certainly is a need. I get out to a great many of the municipalities. I was in Wellington county this morning, meeting with the Wellington county roads committee, opening a new bridge, and discussing their roads program over the next few years.

On the Ontario Good Roads Association resolution: OGRA met with the cabinet committee on resources development a few weeks ago and made its presentation. As I said, the resolution has been endorsed by 124 municipalities so far, and more names are coming in daily. I will not be surprised if all 800 or so municipalities come in.

**Mr. Samis:** Are you sending copies to Larry's office?

**Hon. Mr. Snow:** Many are sending copies to Larry and to the Premier, yes.

10 p.m.

**Mr. Eakins:** Will it have any influence on Larry?

**Mr. Samis:** He said, "Cut the budget by \$6 billion; balance the budget."

**Hon. Mr. Snow:** You had better ask other people what influences Mr. Grossman. However, I recognize the municipalities are working hard, setting their priorities, attempting to deal with those problems, as we are. They are trying to maintain their existing system and giving maintenance a higher priority than expansion, because we must maintain and we are. We are not letting the system deteriorate as it did in the United States. There is certainly a need for increased funding. I agree with the Ontario Good Roads Association resolution. I do not think there is any disagreement among my colleagues in cabinet. Again, it is a case of having the money available.

Transit for the handicapped, a program we got into in this ministry a few years ago, has expanded very substantially. When other forms of transit or roads were getting three, four or five per cent increases, for a number of years the transit for the handicapped was getting increases of 20 and 30 per cent. That is levelling off a bit now. I think the funding is about \$9 million this



year. We went over that earlier this week at our strategic policy committee meeting. I think we were projecting about \$10.7 million for the next fiscal year. We give that a very high priority. According to what I hear from other jurisdictions, they regard what Ontario has done in the field of transit for the handicapped as an enviable model.

Mr. Eakins talked about the Urban Transportation Development Corp. as a great drain on the provincial budget. I would have to tell him that for the last several years there has been no money in our budget for UTDC. Equity capital stock in UTDC was bought by the government a number of years ago. However, for the last several years there has been no provincial funding going into UTDC. It is operating as a corporation should, and has been very successful and profitable.

**Mr. Stokes:** Is socialism not wonderful.

**Hon. Mr. Snow:** Socialism is great when it is run as private enterprise by a private enterpriser.

**Mr. Samis:** You are running a public system.

**Hon. Mr. Snow:** I think it will show a reasonable profit in 1984. The company has paid royalties back to the province. We have not declared a dividend. About \$2 million in royalties has been paid by UTDC back to little Larry, I mean to the Treasurer. We do not get that.

**Mr. Samis:** The way you say that.

**Mr. Chairman:** St. Lawrence from St. Patrick. I am quoting what—

**Hon. Mr. Snow:** Sir Lawrence from St. Patrick.

**Mr. Samis:** Sir Lawrence.

**Hon. Mr. Snow:** Yes; we must get that straight; that was a good one.

I just wanted to set that record straight. We have not been putting money into UTDC. It has major contracts under way in Vancouver, something like \$890 million, which are proceeding very well. That system will open about a year from now. The British Columbia government has already announced a major extension, to Surrey. The main system is in the neighbourhood of 21 or 24 kilometres. It will be open prior to the opening of Expo 86.

**Mr. G. I. Miller:** Mr. Chairman, I just wanted to ask one question now that we are talking about Vancouver. I had the opportunity last year of taking a run on the test drive. Has it been extended any further in the past year?

**Hon. Mr. Snow:** It is 21 kilometres.

**Mr. Gilbert:** Do you mean the prebuilt section?

**Mr. G. I. Miller:** Yes.

**Hon. Mr. Snow:** It is not running any more.

**Mr. G. I. Miller:** Was it running this summer?

**Hon. Mr. Snow:** No. At the request of the British Columbia government, we built the prebuilt section. A year ago this summer they ran two cars back and forth and gave everybody the opportunity to ride it, as you obviously did. It was not the intention to make the prebuilt section part of the overall system. The maintenance yards are now pretty well completed, as I understand it. I have not had an opportunity to see it since last May. I have been trying to get out this fall, but have not been able to get away. But it is progressing very well and there is no indication that it will not be completed on schedule and be in operation for Expo 86.

Our contract at Scarborough, of course, was mainly for the supply of vehicles and technology. The Toronto Transit Commission did the civil construction. That is completed. They had some test runs on it this fall and it is not being opened until late March. The TTC did not want to initiate a new system in adverse weather conditions in mid-winter, and I think an opening date is set for some day—I know it is in my book—in late March. So that one will be the first to actually go into revenue operation.

**Mr. Samis:** Is Eric Cunningham going to be the guest of honour?

**Hon. Mr. Snow:** If Mr. Cunningham is around, we will be pleased to have him ride the system, yes.

The Detroit contract is coming along quite well. There have been a couple of problems in Detroit. There has been a problem with one of the subcontractors supplying the beams, which is well known. That has been addressed and replacement beams are being manufactured. There have been a number of major changes by the client; changing the route, changing the station locations and changing the location of the maintenance yard, which have all added substantial cost; but basically the construction is proceeding quite well in Detroit. We can get into that in more detail when we get to the Urban Transportation Development Corp.—I will not say the UTDC vote because there is not one, but we are going to set aside time for the discussion of the UTDC.

The public commercial vehicle review was mentioned by both critics, of course. It has been

nine years or more since we started the whole matter of looking at the regulation of the trucking industry. For approximately the last three years, we have had extensive review with the PCV problem back to the Gregory select committee on the highway transportation of goods, which was about eight years ago.

**Mr. Gilbert:** Bill 4 started it.

**Hon. Mr. Snow:** Bill 4 started the whole thing in 1975, and then we had the Gregory select committee. Many of those recommendations were implemented. We then had the public commercial vehicle review committee which worked for about two years and brought in the responsible trucking report. That was about a year and a half ago. We have had the implementation steering committee working on that for the past year or more, and I think there has been tremendous progress made and co-operation. The steering committee is made up not only of Ontario Trucking Association representatives, because this is not an OTA situation, it also involves everyone interested in the movement of goods in and out of the province by truck. There are representatives on the review committee from the private truckers, the independent truckers, the Canadian Manufacturers' Association and the Canadian Industrial Traffic League. A number of people are represented on that implementation committee. I think a great deal of progress has been made.

It is still my hope to either introduce or table a bill this fall for public discussion. I realize it will not proceed this fall, but I think it is most important to get the result of all of that work on the table, to get it out to the public and those interested for discussion and for response. If we do introduce the bill this fall, or table the bill, it will be available for everyone to look at, for us to receive comment on and, I hope, the final bill will then be introduced when the House comes back next spring.

10:10 p.m.

**Mr. Samis:** Are you saying you have not decided whether or not you are going to introduce it?

**Hon. Mr. Snow:** It is still my intention and my recommendation.

**Mr. Eakins:** You only have next week now.

**Hon. Mr. Snow:** That is about all, another week or two.

**Mr. Samis:** How about the objections about their committee work? That was one of their big points.

**Hon. Mr. Snow:** I have read the resolution; I do not have it in front of me to respond in detail. I think we are much further advanced than that resolution would indicate. Certainly the work has received a lot of support. There is a committee still working on rate filing. That is not part of the bill. The review of the operation of the Ontario Highway Transport Board is not part of the new bill.

The new bill will be the public trucking act. The review of the OHTB is a second bill. Amendments will be required to the Highway Traffic Act. Those will be worked on and will be ready to introduce as a package with the PTA in the spring session of the House. I still think it is important to get the public trucking act introduced this fall. If it is introduced and receives first reading and the House adjourns, it dies on the Orders and Notices, but at least it is there. Everyone can look at it, we can get comments over the winter period and we can make use of that time. We can have input and then perhaps be in a position to respond to some of that input by making changes or amendments to the bill before it is reintroduced in March.

**Mr. Samis:** The final target is still to—

**Hon. Mr. Snow:** The final target, as far as I am concerned, is still to have the new legislation in place, implemented and working on January 1, 1986.

**Mr. Gilbert:** The Ontario Trucking Association endorses this.

**Mr. Samis:** Yes, I realize that. The point they were making, and they invite your comments, was they thought it could be delayed until the spring session and deadline could still be met.

**Hon. Mr. Snow:** I am not so sure. All of us sitting around this table know we have a very vague schedule for 1985. Some time in 1985 there is going to be an election, whether it is in the spring or in the fall.

**Mr. Samis:** There is going to be a cabinet shake-up in February.

**Hon. Mr. Snow:** Oh, I do not know about that.

**Mr. Samis:** If Larry gets in?

**Mr. Chairman:** Oh, come on, George.

**Hon. Mr. Snow:** In any case, it is hard to schedule something for 1985 compared to a mid-term year.

**Mr. Samis:** I realize that.

**Hon. Mr. Snow:** I think everybody, including the OTA, wants the new legislation ready by the first of 1986. I cannot quite understand the



reasoning of the OTA in saying the bill should not be introduced now but rather that we should wait until March to introduce it, because a tremendous amount of work has gone into the bill.

We think it is a pretty complete bill now. I am not saying it is perfect or there will not be people who will come up with suggestions, but I think it is time now, after nine years of work and three and a half years of intense study, to put something on the table and give everyone a chance to review it. Why waste the period between now and March when the different parties interested in this could be reviewing a printed bill and making recommendations?

**Mr. Samis:** I see that point and it is a valid one. I am just saying I was surprised by the vehemence of their opposition last week. I would like to—

**Hon. Mr. Snow:** Well, so were we.

**Mr. Samis:** Your deputy spoke there and I missed it. I was going to ask him if he could give us some indication of what sort of a reaction you got.

**Hon. Mr. Snow:** I am responding at this time. When we get to that, you can talk to him.

**Mr. Samis:** We may never get to it. You are cutting him off.

**Hon. Mr. Snow:** I think it is time that—

**Mr. Samis:** He was the one who was speaking to them, not you.

**Hon. Mr. Snow:** I think it is time to take that next step—

**Mr. Stokes:** That is okay, Jim, as long as you agree with Mr. Gilbert.

**Hon. Mr. Snow:** Harold and I never disagree. We have a record in this government, I am sure, as being the only minister and deputy minister who have worked together in the same ministry for 10 years.

**Mr. Samis:** The odd couple.

**Hon. Mr. Snow:** You have ministers who have been around as long and you have deputies who have been around as long, but I do not know of any two who have been around as long together. We have to quit travelling this way, Harold.

Anyway, I do not have much more that I can say. I am dedicated to a new, modern trucking act for Ontario. I think there are some other questions Mr. Samis had, and we will come to his notes later.

I think we are doing a pretty good job improving and maintaining roads in northern

Ontario. We are certainly maintaining the road system up there. We are improving it as fast as money is available.

As you know, the Ministry of Northern Affairs carries the budget for capital construction in the north and we set the priorities for construction jointly. We make our recommendations, but the person with the money in the budget naturally has a lot to say about it. I think that is understandable.

Mr. Bernier has put a tremendous emphasis on roads in northern Ontario. He has added money from his northern resources allocation to roads, and has given a high priority to road construction in northern Ontario.

I do not really know what the honourable member had in mind about Canada Coach Lines Ltd. Canada Coach is an intercity bus-operated subsidiary of the Hamilton Street Railway Co., and it has unfortunately been a money loser for a number of years. It is the property of the region of Hamilton-Wentworth.

We do not subsidize intercity bus transportation. I have to tell you that I do not believe we should. If you are suggesting that, we have a terrible disagreement. On the other hand, we do subsidize Canada Coach for the routes and services they supply within the urban transit area.

**Interjection:** The bells are ringing.

**Hon. Mr. Snow:** Are the bells ringing? Good.

**Mr. Chairman:** I understand, Minister, that the bells are ringing. Members do have to go into the House momentarily.

**Mr. Samis:** We will continue with this tomorrow after the Urban Transportation Development Corp. vote.

**Mr. Eakins:** Perhaps tomorrow, when you finish your response, I would like to make a comment about intermunicipal service. I would like to clarify that.

**Hon. Mr. Snow:** In our view, it is the responsibility of the private sector to supply intermunicipal or intercity service.

There are hundreds of bus companies throughout the province. As far as we are concerned, Canada Coach and Gray Coach Lines are intercity carriers. They may be owned municipally, but they are in the same category as any other carrier. Hamilton is giving consideration to what it is going to do with Canada Coach. It is their responsibility to make that decision.

Mr. Chairman, if you want to cut me off at this time, we will put a big X—

**Mr. Chairman:** It might be an appropriate time to adjourn. We will come back tomorrow at



10 a.m., but it will not be in this room; it will be in room 228 on the second floor. So, until—

**Hon. Mr. Snow:** Mr. Chairman, this may be totally out of order. I mentioned it to the critics. Would there be any possibility of starting earlier tomorrow? How does your committee feel about that?

**Mr. Chairman:** Will it adjourn earlier?

**Hon. Mr. Snow:** Yes, the same period. The only thing is that I have some matters to attend to at cabinet tomorrow, and if I do not get there until 12:30, at the end of the meeting, it is a bit of a problem.

**Mr. Chairman:** It is up to the critics. Do you want to start earlier?

**Mr. Samis:** What time are you suggesting?

**Hon. Mr. Snow:** I would suggest starting at 9 a.m. or 9:30, whatever. Anything would help.

**Mr. Samis:** I would go for 9:30.

**Mr. Eakins:** I think 9:30 would be okay—that is, if—

**Mr. Chairman:** Yes, 9:30 a.m. is fine if we all agree.

**Hon. Mr. Snow:** That would give me from 12 noon rather than 12:30.

**Mr. Samis:** On the condition you bring in those cigars for your grandchild you did not bring in tonight.

**Mr. Chairman:** Okay; we will meet at 9:30 tomorrow morning in room 228.

The committee adjourned at 10:20 p.m.

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**From the Ministry of Transportation and Communications:**

Gilbert, H. F., Deputy Minister











No. R-43

# **Hansard**

## **Official Report of Debates**

### **Legislative Assembly of Ontario**

**Standing Committee on Resources Development**  
Estimates, Ministry of Transportation and Communications

**Fourth Session, 32nd Parliament**  
Wednesday, December 5, 1984

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, December 5, 1984

The committee met at 9:35 a.m. in room 228.

### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

**Mr. Chairman:** All three parties are appropriately represented. When we parted company last night, the minister was in the process of responding to some of the opposition critics' concerns. We should continue with that process.

**Hon. Mr. Snow:** I will try to continue. I have a great many notes here; there are many pages. It will take me a little while.

We had just finished discussing Canada Coach Lines, as brought up by Mr. Eakins. The next item he mentioned was the Toronto Transit Commission's lack of tendering procedures; the fact TTC had bought its new streetcars and subway cars through the Urban Transportation Development Corp. without public tender.

I was well aware of this. There were very strenuous negotiations between the TTC and UTDC in those contracts. The technology and design for both the streetcar and the subway car were in place at UTDC and at Hawker Siddeley Canada. If an open tender had been called and if it had been judged on price alone, there was a great possibility those contracts would have ended up going offshore to Japan or wherever.

We need the jobs in Ontario. We have invested in the technology and we have the ability to build them. Although there was no tender, there was a very complete review including the appointment by the TTC of an outside, independent individual, Ian Sinclair—

**Mr. Samis:** A Liberal.

**Hon. Mr. Snow:** He is a Liberal at that. He happens to be a constituent of mine. He went through the bids in great detail. He did all kinds of comparisons and submitted a report recommending that the prices negotiated were fair prices. For value to the TTC, the citizens of Metro Toronto and the citizens of Ontario, that was the appropriate way to arrange that matter.

We got into interministerial co-operation and highway signs and tourism. Bobcaygeon was given as an example. I have a great many examples. I get more letters, comments and what

not on signs of one type or another than perhaps almost anything else. People want signs or people are opposed to signs; I get about an equal number of letters from both. People object to too many signs on the highways—

**Mr. Samis:** What kinds do they object to, just out of curiosity?

**Hon. Mr. Snow:** They object to these tourism field advertising signs that we have stringent guidelines for. We do allow tourism organizations a certain number of signs—not on our freeways but on the other highways—advertising a tourism facility one or two miles ahead. You are very familiar with those, I am sure.

**Mr. Eakins:** I can understand that, but the question I brought up was about directions to major tourist destinations. I mentioned Fenelon Falls.

9:40 a.m.

**Hon. Mr. Snow:** Our ministry, the Ministry of Tourism and Recreation and Tourism Ontario have an ongoing committee. We had some problems and disagreements with and complaints from Tourism Ontario a few years ago. We set up the joint working committee, which is an ongoing committee.

**Mr. Eakins:** There has been an improvement.

**Hon. Mr. Snow:** When we have sign problems we refer them to that committee. I think there has been a great improvement. Even Tourism Ontario does not by any means support a lot of the applications we get for signs. It recognizes the need to keep some control over signs. We have interministerial co-operation on that and with the tourism industry.

Further studies or discussions are going on now with regard to what we might do with our policy to better recognize some of the major tourist attractions.

**Mr. Eakins:** Simply to help motorists find an area where they must turn off a highway; for example, a sign saying, "East to Peterborough."

**Hon. Mr. Snow:** We went over that last night. I can use another example I sometimes get. When you drive along Highway 401 and get to Highway 6, it will say, "Guelph, 10 kilometres," or "Owen Sound, 150 kilometres," or whatever it is. There is a policy to sign the first municipality

of certain significance off Highway 401, for example, and the destination of that highway, the end of route or the last major municipality—Owen Sound is not the last.

I get letters from all the little towns, Durham, Mount Forest and a dozen others along Highway 6. They would all like to have their names on the big Highway 401 sign. They ask how Owen Sound can have it and Durham, Mount Forest, Arthur or Fergus cannot have it.

It would be unreasonable to put the names of all those communities on the sign. A person driving along the road would not have time to read all those names.

**Mr. Eakins:** I agree.

**Hon. Mr. Snow:** There are all kinds of examples we can use. We are continually reviewing that policy and we meet with municipalities in northern Ontario. Every year, the northern Ontario chambers of commerce come here. They always have recommendations about or problems with signs that they want to discuss with us. They feel there should be a different policy for northern Ontario because of the distances and so on.

It is not easy to deal with, but we know that if we put too many things on the signs or put up too many signs, the motorist will not have the time to read them or will lose interest trying to read them. Every year or two we put out a very complete update of a road map that is made available free to anyone who wishes one. We try to distribute them the best we can. They are distributed through the Ministry of Tourism and Recreation as well as by our ministry. That is our main directory for the travelling public in Ontario.

We are always willing to meet with the tourist industry. We have a study going on about major tourist attraction signs. We have a policy for Highway 401 or Highway 400 that an attraction must generate a certain number of visitors each year before it qualifies for a large sign.

**Mr. Eakins:** I see a big blue sign when I am coming in a couple of times a week. It is a massive board saying, "These are the wonderful attractions in Metropolitan Toronto." However, as I mentioned to you last night, we have one of the four world attractions, a lift lock on Highway 48—

**Hon. Mr. Snow:** We could talk about that all day. I am getting a little annoyed by letters and complaints about that sign. That is one sign about the capital of Ontario that designates certain provincial attractions within Metro Toronto.

**Mr. Eakins:** I am not objecting to it. I am just making a comparison with smaller communities.

**Hon. Mr. Snow:** If you think we can substantiate putting up a sign like that up for each lift lock on the Trent Canal, I do not think it is a reasonable request.

**Mr. Eakins:** The Trent-Severn people have a design, but you will not allow them to use it on the highway. It is simply to point out to people that there is a major attraction. It is only a small sign—I think it has a beaver on it—and it has been developed by the Trent-Severn people, but you will not allow them to put it up because you say it is policy. You have one of these little arms that says "Trent-Severn Lock" or something, and there are plenty of those along there because the Trent-Severn waterway is a very long route. But this is a special spot.

**Hon. Mr. Snow:** We get so many requests like that. I am prepared to take a look at that sign. I have never seen it; I do not think it has ever been brought to my attention by anyone.

**Mr. Eakins:** It has been turned down.

**Hon. Mr. Snow:** I get complaints that they want church signs up on our highways. If there is a church five miles down a side road, they want a sign on the highway saying there is a church there.

I had a great time with some fellow down in eastern Ontario—I forget just where—who had an antique store that was 10 miles along a county road or a side road. He wanted a sign up on the highway saying there was an antique store down there. There are probably 50 other businesses of one type or another along that road that would have just as good an argument for getting a sign. You would have so many signs at the corner that nobody would read them, so you have to turn those kinds of requests down.

**Mr. Eakins:** I agree with you on that. I am talking about some of the major ones. I can certainly prove the point. Later I will get my maps and some pictures, and I will drop in to see the deputy and have a chat with him.

**Mr. G. I. Miller:** Mr. Chairman, may I just break in here? You mentioned church signs. We had some requests in my area.

**Hon. Mr. Snow:** Well, if I—

**Mr. G. I. Miller:** No, I just want to—

**Mr. Chairman:** If you are getting into specifics, I would rather you waited until we get to the proper votes. We are just trying to respond to—



**Mr. G. I. Miller:** I think you can still help the communities by providing a few more signs. When I am travelling and I am looking for something, it is doggone helpful to have a sign I can locate. It is the best thing you have going for you.

**Hon. Mr. Snow:** I am trying to respond to the items brought up by the two critics last night. Then we agreed that we would have Mr. Foley here today to discuss the Urban Transportation Development Corp. If we discuss every item as we go through, we will not get through my list in the two and a half hours we have available.

**Mr. G. I. Miller:** Okay. I just want to leave that on the record now. I might not get a chance tomorrow night because the time goes along quickly.

**Mr. Chairman:** Yes, it does. I would like all members to bear in mind that if we can get through the responses here without too many interruptions, we can get into the UTDC vote.

**Hon. Mr. Snow:** I would like to mention now something I had meant to mention earlier today. I mentioned that Mr. Marrs, chairman of the Ontario Highway Transport Board, would be available on Tuesday. Mr. Marrs is very ill in hospital; so I am not sure he will be available for us.

**Mr. Samis:** Did we not agree that we were not going to ask him?

**Hon. Mr. Snow:** I do not know whether you had decided that yet, but he is quite ill and is not available.

**Mr. Eakins:** That is quite okay.

**Hon. Mr. Snow:** The next item was the drinking and driving problem. It is a problem we are all struggling with. I do not think there is anything I spend more of my time on now, or I have spent more time on in my past nine and a half years as minister of this ministry, than the whole matter of highway safety of all types.

The drinking and driving problem is one major aspect of highway safety. Although we are very much involved in it—we are the ones who have to suspend people's licences and that sort of thing; we administer that part of the program—the basic policy is one of the Criminal Code in Ottawa and the policies of the Attorney General here in Ontario.

As you know, in Newfoundland in the last couple of weeks they had major discussions on that at the Justice ministers' conference. I heard again on the news last night, and I knew this before, that Mr. Crosbie is planning to bring in amendments to the Criminal Code in Ottawa and

to have them passed before Christmas. He is supposed to introduce them in the next day or two, I believe. It will be somewhat of a change if they pass a bill that quickly in Ottawa, but with the new government maybe they will.

**Mr. Samis:** It is virtually the same bill they introduced under MacGuigan.

9:50 a.m.

**Hon. Mr. Snow:** I understand it is virtually the same part of the bill that the Liberals had introduced, but he is bringing it ahead—not the whole bill, but this part of the bill. We are trying to find out exactly what is going to be in the bill and we will be discussing it at our strategic policy committee meeting on Monday. We do not know at this moment what changes have been made and how we will have to change our programs to administer the part of the bill dealing with suspension of licences and other such matters.

As you know, the Premier (Mr. Davis) has set up an interministerial committee on drinking and driving in Ontario, chaired by the Attorney General (Mr. McMurtry). Several ministries are involved in that committee: the Ministry of the Solicitor General, the Ministry of Consumer and Commercial Relations and my own. Jim Erskine, the former commissioner of the Ontario Provincial Police, is heading up the work of that ongoing committee.

There were 1,204 people killed in Ontario in 1983, and that is far too many. On the other hand, if you look back in our statistics to 1975, the year I took over as minister, there were about 1,800 deaths. I cannot tell you what we have done to decrease that number, but it has been coming down steadily over the years. In 1983 there was a slight increase over 1982, but if you look at the overall, there has been an almost continuous decrease. The first six months of 1984 are again showing a considerable decrease.

This has been for many reasons. We can look back and say it is the lowering of speed limits, it is seatbelts, it is improvements in the highways as we upgrade them with left-turn lanes, right-turn lanes, acceleration lanes, slip-offs and median barriers. As we discussed last night, we are putting these in on some of the dangerous highways. We are widening Highway 401 to six lanes from the present four.

The many things that we and municipalities all over the province have been doing have contributed to this lower rate. Three or four years ago we had a two-day conference on highway safety. We brought in a lot of experts and had a lot of discussion. We set a target of trying to reduce the number of deaths on the highways by five per



cent a year, taking into consideration the number of kilometres travelled. We have far surpassed the goal that was established at that time. We will not let up in anything we can do to improve highway safety.

Daylight running lights were mentioned. As you know, we now have an amendment to the Highway Traffic Act before the House that will extend the time running lights will be on. I hope there will be time to get the amendment passed this fall. The idea of requiring the lights to be on when you have your windshield wipers on was a new one on me. I had not thought of that before, but it is something the public can understand.

The problem with the half hour before sunset and the half hour after sunrise is that people sometimes ask: "Well, how the hell am I going to tell that? I do not know what time the sun rises or sets every day and I do not want to be getting fined." The legislation says that when there is anything obstructing visibility, such as fog, smoke or snow, the lights shall be on.

Some of the bus companies have been running with their lights on for years. I think it has been worth while to require motorcycles to run with their lights on. Now the Ontario Trucking Association has come out and said all trucks are going to run with their lights on 24 hours a day. We will be watching these programs as they go ahead.

I did not feel quite ready yet, with the discussions we have had, to bring a law that said every vehicle had to run with its lights on 24 hours a day.

**Mr. Eakins:** Is that not the law in Sweden?

**Hon. Mr. Snow:** I have not been to Sweden lately.

**Mr. Chairman:** You should check it out.

**Mr. Eakins:** I was there in June. You see cars coming at speed around some of the roundabouts and if the lights are on they are much more visible. Would you not agree there is a lot of merit in that? As I mentioned, they do it in Georgia and Tennessee if it is raining. That is the time you want to be able to see other vehicles. If you need your windshield wipers on, do you not think you need your lights?

**Hon. Mr. Snow:** That is something you could define. If you have your windshield wipers on, you have to have your lights on. That might be one way of defining it in legislation. We will have our people who work on those kinds of things look at it.

**Mr. Eakins:** I would review the Georgia and Tennessee situations.

**Hon. Mr. Snow:** We may be able to get some information and statistics from the states you have mentioned. We will certainly look into that.

That is the end of my notes on Mr. Eakins's questions. I will start on Mr. Samis's questions, many of which were similar. I will skip some I have already answered.

There was considerable attention to lack of funding for both provincial and municipal roads. I think we discussed that during my previous reply. Mr. Samis referred to The Road Information Program of Canada report. Basically, I have no disagreement with the findings of the TRIP Canada report.

We could argue a little bit over percentages here or there, but basically no one has argued too much with their findings across the country. I think one province objected to it, but most of the ministers have taken the attitude I have. We do not argue with the information TRIP Canada has brought out.

They represent the construction industry, the roadbuilding industry and the equipment industry and they are trying to make the public aware that investment in road construction provides a good return. I support that fully.

I think the fact that 8.5 per cent of our roads do need resurfacing or work done on them, and that is the lowest by far of any province, means 91.5 per cent of our roads are in pretty good shape, so that is not a bad ratio.

**Mr. Samis:** You are provoking me, but I will restrain myself. Mr. Foley is chafing at the bit.

**Hon. Mr. Snow:** There is a great value of investment in our road system and a great return on investment. I always like to get some kind of cost-revenue ratio payback.

Highway 401 at Lester B. Pearson International Airport is one spot where every morning and every night there are major tie-ups. There are trucks, cars, everything, sitting there for considerable periods of time waiting to get through that section of a few miles. We are working on it, and I hope by this time next year we will not have traffic backups at that location. Whether they will just move down the road two or three kilometres and back up at a different location, I am not sure.

It is very hard to put a handle on what it costs the general public in lost fuel, lost time for truck drivers and lost utilization of equipment. It takes them an extra hour to get to their destination because of that delay. I would like to have those figures, if it were possible to get them, to make a better argument to my friend the Treasurer (Mr.

Grossman) when he is allocating money that there is a big payback here.

The other thing is that money spent in road construction, as I have been arguing very strenuously, is the greatest producer of jobs and labour of anything on which one can spend money.

**Mr. Samis:** He said he would cut \$2 billion out of the overall budget if he was elected Premier.

**Hon. Mr. Snow:** Who said?

**Mr. Samis:** The Treasurer.

10 a.m.

**Hon. Mr. Snow:** More power to him.

Basically, in the construction of roads, some people may not agree with me, but my argument is that practically every dollar you spend on building roads goes into labour in one place or another. The materials you use for building roads—steel, concrete, aggregates, asphalt, and so on—come out of the ground. It is practically all labour when you take that material and process it. The construction equipment used is imported to a great degree, so that is not Canadian labour.

Labour is involved in transportation of these products, digging the iron ore out of the mines and making the steel in Hamilton and putting it in place. A very high percentage goes into labour if you follow it all the way through the cycle of money spent on building roads and bridges. My argument has always been there is nothing we can spend money on that produces more meaningful jobs than increasing the road system. However, you have to have the money to spend to be able to do that.

Over the last few years, we have been putting a higher emphasis on maintaining our existing infrastructure. We have different categories of work, as we have discussed in other years. There is resurfacing work, with some modifications to curbs and intersections. Then there are complete rebuilding jobs where we do major work on roads and replace the bases or add to them. There are also jobs where we widen roads from two to four lanes, but that is still a rural cross-section type of highway. Then you get into the new capacity.

We believe our first priority and responsibility has to be to maintain the existing system. We have been putting a higher emphasis on resurfacing and rebuilding our existing highways. That uses up more of the money each year and leaves us less money to spend on the major new capacity that is needed. I do not see anything happening on Highways 403, 410, 404 and 416 in the next few years unless we get additional

money in the budget. We will continue to drift in that direction, using a higher proportion of our budget to maintain the system. I do not think we can allow it to deteriorate as it has in the United States. That has been our policy and it will continue. Consequently, we have not completed Highway 404, Highway 406 and so on, as quickly as we promised.

**Mr. Eakins:** Was it due to the cutback in the budget that you did not call the number of contracts you anticipated this summer?

**Hon. Mr. Snow:** Yes. About 11 jobs were in the green books that are published each spring and outline our program for the year. A lot of those jobs will still be called. Our fiscal year is not over yet. Those are the jobs that will be called during the year. Jobs that are called in January and February are still in that fiscal year in that book. There are a lot of jobs yet to be called. About 10 or 11 jobs have been stood off, partly because of the lack of funding and partly because of accelerated cash flows on other jobs.

The James N. Allan Skyway at Burlington Bay, as I mentioned last night, is almost a year ahead of schedule. It is not costing more money than was estimated, but the contractor is making much better headway. As he does the work, we have to pay him. We have had to slow down other jobs to have the cash flow for that job. It is the same as the two jobs on Highway 401 and Highway 403. Those are ahead of schedule.

The job at Peterborough is all finished now; it was expected to run into next year. Contractors are not busy these days. There is a not a great volume of work available, so when they get one of those big jobs they go at it with full force and a lot of equipment to do the job faster. We have to pay them. We cannot tell them to slow down.

The only way we can keep our cash flow within the budget is to defer or delay other jobs; for instance, jobs we would have called in June were probably called in September or October. We do less work on them this year, so we cut down cash flow there.

It will not affect next year so much, though it will affect the following year. We would have had money budgeted for the Allan Skyway, but it will be done. We will have that money go back into the other system. A dozen or so of the jobs in that green book will not be tendered by the end of the year. I hope they will be coming on early in next year's program.

Mr. Samis brought up the problem of the naming of the James N. Allan Skyway. His comments have been somewhat of a surprise to me. Mr. Allan has an illustrious history in this



province. He was the minister when the original bridge was started, the Treasurer when the original bridge was finished and was with me at the sod turning for the new one. His 90th birthday was this fall. There was a cabinet decision that naming a new bridge of that significance after him would be an excellent way to acknowledge his tremendous service to this province in so many ways over so many years. He is still serving the province as chairman of the Niagara Parks Commission.

There seemed to be some criticism of the degree of consultation. I do not know with whom one would consult; it is a provincial project. There is a feeling we should have consulted with the city of Burlington. I am meeting with a delegation from Burlington next Tuesday morning and presume the mayor will come, as well as the chamber of commerce. I do not know whether we can come to any compromise. I have no intention of removing Mr. Allan's name from that bridge, I will tell you that.

The city of Burlington does not consult us when it is going to put someone's name on a local road or a local bridge. The mayor of Hamilton says he has an answer to the problem: to call it the Hamilton Skyway. I suppose we could call it the James N. Allan Burlington Hamilton Skyway and add a few more things.

As you all know, when I announced in the House the cabinet decision to recognize Mr. Allan in this way, it was very well received by all parties on all sides of the House.

**Mr. Eakins:** The objections did not come from the Legislature.

**Hon. Mr. Snow:** No. The objection has come from the junior chamber of commerce in Burlington, which 25 years ago apparently made a big pitch and petitioned and what not to have the bridge called the Burlington Skyway rather than the Hamilton Skyway or something else. My recollection in the ministry does not go back that far. No one else in the ministry or cabinet recalled anything of that type. It was news to me when the Burlington Junior Chamber of Commerce called me, all upset about the change in the name.

**Mr. Samis:** Plus the councils.

**Hon. Mr. Snow:** The councils followed along.

**Mr. Samis:** They did not have to.

**Hon. Mr. Snow:** No, they did not have to, I agree; but they did. That is not unusual.

If we had tried to consult with everybody on what the bridge should be called, I am sure I

would have had so many ideas it would not have been very easy to deal with.

The next item is about rest areas. As we said last year, we have done studies with the ministries of Natural Resources and Northern Affairs in northern Ontario about rationalizing the rest areas and roadside park areas. We have never been able to go forward with that plan to cabinet to implement it, mainly because of resources. We cannot foresee putting major funds into that at this time when we are having such trouble with funds for maintaining the highway system.

**Mr. Eakins:** How do you see the breakdown of responsibility between your ministry and the Ministry of Tourism and Recreation regarding the facilities?

10:10 a.m.

**Hon. Mr. Snow:** That was part of the rationalization of the thing in trying to sort out who should be maintaining different classes of roadside areas. You would be surprised at the tons of garbage dumped in these areas. People bring garbage from their cottages in the trunks of their cars and deposit it in the barrels in our roadside parks. I used to do it myself when I had a cottage. I did not like to take the garbage back into the bush to bury it, so I brought it by car to a little park on Highway 62 north of Medoc. There were always some nice barrels there. We would stop, let the dog out for a run and fill the barrels with our garbage.

**Mr. Samis:** Was this before or after you were elected?

**Hon. Mr. Snow:** Emptying those barrels is part of the maintenance cost. We would like to upgrade the rest areas and implement the new policy. The reason it has not gone ahead as we would have like it to is because of a lack of money.

The member mentioned special designation signs. We have covered this topic before. It was brought to my attention that we have some special designation signs in the Ottawa area. These are exceptions, relating to tourist attractions in the nation's capital.

Dangerous goods was the next item. The new federal legislation and regulations concerning this issue were to be proclaimed by July 1, 1985. We have always told the federal government that once we know what these regulations are, we will need another six months to gear up and train our staff to be able to implement them. You cannot train staff until you know what is in the regulations.



We were contacted a few days ago by the Minister of Transport, Mr. Donald Mazankowski. I discussed the matter with him last night. The federal government would like to move the legislation's introduction ahead to April 1, 1985. I have instructed my staff to do everything possible to assist the federal government in achieving this objective. This will not give us the six months I hoped we would have to train staff, but if the Minister of Transport wishes to bring the legislation's introduction forward to April 1, my staff will pull out all the stops and try to be ready to implement these regulations when they are made available.

It has been a terribly frustrating situation over the years. We have had so many delays at the federal level, but it looks as if the matter is finally coming to a conclusion. We will have these regulations by next spring.

We discussed the marine, air and rail areas, the port study, the Misener study, the Peat Marwick study. Ports, harbours and marine shipping is basically a federal government responsibility, but we have a definite interest in all modes of transportation that have an affect on industries in this province.

This was why the small offices in the marine, rail and air modes were established. It is basically to put our views forward and have input to the federal government on matters such as the seaway tolls, the development of ports, all types of things. We studied the feasibility of expanding the province's shipbuilding industry, for example. This was a joint federal-provincial study, in Collingwood and Port Welland.

We have more direct involvement in the air program, because of the building of airports in northern Ontario and the subsidizing of municipal airports in the rest of the province. This is an ongoing program with an insignificant expenditure compared to others. Since I initiated this program, it assists a lot of municipalities to either build or upgrade airports in their areas.

A lot of the old Second World War airports were getting to the stage where the grass was growing up through the runways and the municipalities just did not have the money to maintain them. There were a lot of those runways. I can think of Brantford, Port Colborne, Port Weller, Oshawa, Kingston, all over. There is a nice new runway, parking area and taxi strip at Lindsay. I was there to officially open it, as you know.

There have been other things, like putting in fuelling facilities and helping upgrade their little terminal buildings. It has been a very worthwhile

program and a lot of municipalities have taken advantage of it.

I am interested in the comments regarding Via Rail and the light, rapid, comfortable trains they have so much problem with. The LRC trains were built by Eric Cunningham's famous company, Bombardier. It was his pet project to give everything to Bombardier and they are sure having a lot of trouble with those trains.

There was an article I meant to bring. It was in the Globe and Mail last week, and maybe you read it, about one of the engineers who works on those trains. He was saying how much difficulty they were going to have this winter. He said people would be disappointed at Christmas time because the trains would break down, and that they have had so many problems with them. He said that although he would not make as much money on it, he would far prefer to be the engineer on a GO train. He said, "I like to run a system..."

Interjection.

**Hon. Mr. Snow:** Or freight; he mentioned freight, too; but he specifically mentioned GO. He said, "It is a pleasure to climb into the locomotive of a GO Transit train because you know you are part of a system that works."

**Mr. Samis:** You could not forget that, could you?

**Hon. Mr. Snow:** I had to bring that to your attention. I thought you would not want to miss it.

**Mr. Samis:** I did not.

**Hon. Mr. Snow:** You mentioned new equipment for Via Rail. We have been having negotiations through the Urban Transportation Development Corp. and Can-Car Rail Inc. with the federal government and I know Mr. Mazankowski puts a very high priority on new equipment. I have discussed this with him. We discussed that last night.

**Mr. Samis:** When did you have this big discussion?

**Hon. Mr. Snow:** Between 6 p.m. and 8 p.m. last night.

**Mr. Samis:** You did not tell us about that.

**Hon. Mr. Snow:** The federal cabinet were all in Toronto last night. You should have come down. For \$150 you could have had a few drinks.

**Mr. Samis:** To hear Joe Clark?

**Hon. Mr. Snow:** I do not know whether Joe was there or not. I did not go talk to Joe. I talked to Mr. Mazankowski and my friend Otto Jelinek and the great George Hees.

**Mr. Samis:** Is Otto Jelinek your friend?

**Hon. Mr. Snow:** I had a talk with George Hees, too, of course. There were a great many of them there and a great many other people, too. It was quite an event. I did have a good chance to spend half an hour talking to Don Mazankowski.

You mentioned the rail cabooses. Certainly, this is a matter we have been asked about earlier and we have had a lot of letters on this. We have asked the rail committee of the Canadian Transport Commission to extend those hearings to give more opportunity for input. They have agreed to that. The hearings have been extended; it is something that the CTC have the expertise in. They are hearing the case and they will make their decision eventually.

It seems funny when you are in Europe or in the United States to see a train go by. In Fort Lauderdale, they have all these level crossings. They do not have any grade separations down there. You are sitting there, waiting for this big, long train to go by and you are looking for the caboose at the end of the train. All of a sudden the train goes by and there is no caboose.

**Mr. Samis:** Not all of us get the chance to be in Fort Lauderdale to see that.

**Hon. Mr. Snow:** You mentioned the Metro Toronto Residents Action Committee and I have to say that M-TRAC in Toronto has been a very useful organization. They have put forward some very excellent papers and research, and have been most helpful to us and co-operative with us as a ministry in working on rail matters affecting rail safety. We have found them to be an excellent organization and helpful to us.

**10:20 a.m.**

Then Mr. Samis got into his other famous subjects of UTDC and the government of Ontario advanced light rail transit. I have to say, as I said last night, for several years now no ministry funding has gone into UTDC since the recapitalization of the company. They are doing very well. They have been quite successful in a considerable number of contracts and naturally we would like to see more. The company is profitable. I am confident that when I present the financial statement for 1984—

**Mr. Samis:** I think you are obsessed with the ghost of Eric Cunningham. I did not raise that point.

**Hon. Mr. Snow:** It is right here. You had it all down here, UTDC.

**Mr. Samis:** I talked about it.

**Mr. Eakins:** You said you supported it.

**Mr. Samis:** That is correct. I made a supportive statement and you see the ghost of Eric Cunningham everywhere you go.

**Hon. Mr. Snow:** It is pretty hard to forget that little ghost.

**Mr. Samis:** That tiny, perfect critic.

**Hon. Mr. Snow:** I have a terrible time with little people.

**Mr. Samis:** To you, most of them are little.

**Mr. Eakins:** That is what Larry said.

**Mr. Samis:** There is a pattern.

**Hon. Mr. Snow:** I do not know what it is with little people, I mean, Mancini, Cunningham, Grossman, they are all the same.

**Mr. Samis:** You put Cunningham and Grossman in the same boat, that is interesting.

**Hon. Mr. Snow:** It may be—

**Mr. Samis:** Cunningham will be insulted.

**Mr. Eakins:** We supported him.

**Hon. Mr. Snow:** You are supporting Larry, are you not?

**Mr. Eakins:** Our cheques are going to him.

**Hon. Mr. Snow:** Your cheques are going to Larry? Good.

**Mr. Eakins:** Our hearts are with someone else, but we are with Larry.

**Hon. Mr. Snow:** The government of Ontario advanced light rail transit is a long-range plan. It is the most far-reaching public transportation plan brought in by any jurisdiction. You talked about delays. The Metro line, as I said last night, is going forward. The first stage of planning is complete. A presentation is being made to the municipalities at this time. The public meeting is scheduled for the next month or so, to define this route.

The north Metro line is not going to be built overnight and, of course, the Lakeshore line was always stage three. The GO-ALRT system is to be completed in three stages. The first stage was the east and west extensions. The second stage is the north line. The Lakeshore line is in the third stage, because we have a very large investment in the heavy rail system on the Lakeshore. We want to utilize this existing system; try and improve it by putting on some extra trains for as long as we can meet the capacity. We want an alternate plan so when we cannot meet the capacity—

**Mr. Samis:** You know, many people say this three-act play will end up being a one-act play.

**Hon. Mr. Snow:** I am not the artsy type. You will have to discuss that with the Minister of



Citizenship and Culture (Ms. Susan Fish). I know very little about plays.

**Mr. Samis:** You have something against her as well?

**Hon. Mr. Snow:** No, but as I said last night, the Pickering-Oshawa line is going along very well. There is a lot of construction going on out there. We are starting work in Hamilton. You mentioned the Toronto Transit Commission-GO-ALRT joint studies. There are a lot of joint studies between the TTC and GO-ALRT. The Ministry of Transportation and Communications, Metropolitan Toronto and the city of Mississauga are all involved.

On other options, such as the Eglinton east-west line, I see that the expert on all transit matters, Globe and Mail columnist John Sewell, is very much against it now, but I would be surprised if he was not. All of our studies are being co-ordinated with the ministry's outside agencies, such as GO Transit and UTDC. The ministry is taking a lead role in this long-range planning, along with the TTC and Metro.

Our general operation goal is continuing. Again, I do not have the ridership figures here at the moment, although in 1983 the ridership flattened out, as did the TTC's. There are still some increases, but they have been more substantial, on some lines than others. The Milton line, for example, has had a considerable increase in ridership. When we discuss this on Tuesday night I will have these ridership figures for you.

You mentioned the matter of Mr. Parsons, provincial leadership campaign manager to the Minister of Industry and Trade (Mr. F. S. Miller). I do not believe there was any conflict of interest, or any bending of the rules, but I agree that justice must not only be done, it must be seen to be done. It seemed appropriate, because of concerns raised, that Mr. Parsons take a leave of absence until the leadership convention is over, and this is what has happened.

Mr. Parsons is approximately a two-day-a-month, or maybe three-day-a-month member as chairman of GO Transit. He certainly was not working on Mr. Miller's campaign during those days when he was supposed to be at GO Transit. Mr. Robinette's opinion was that crown employees are free to do as they wish during their own time. Mr. Parsons, as far as I am concerned, was working on his own time. Because of the type of men Mr. Parsons and Mr. Miller are, they did not want concerns of the type that have surfaced—

**Mr. Samis:** I wonder if he was working for Larry if he would have felt the same way.

**Hon. Mr. Snow:** By all means.

**Mr. Samis:** I am sure.

**Hon. Mr. Snow:** You think I have something against Larry. I do not know—

**Mr. Samis:** You should have.

**Hon. Mr. Snow:** You keep bringing that up all the time. He is one of my colleagues.

**Mr. Samis:** You should have.

**Hon. Mr. Snow:** You mentioned the Toronto bus terminal. I am very pleased to see what may be a resolution coming out of this matter. With the proposals that have been put forward by Gray Coach Lines Ltd., I think the bus terminal issue will probably end up on the right track.

We have co-operated with them, both as a ministry and as GO Transit, because GO Transit is a major user of the terminal. In trying to get a new terminal, we looked at a number of alternate sites. We have conducted joint studies with Metropolitan Toronto and with the city of Toronto. I think I am safe in saying that everyone involved has come to the conclusion that the existing terminal site is the best possible. Land downtown is so expensive. I do not think you can use this high-priced property just for a bus station. This means that a higher density development will be the end result; presumably a hotel or office building above the bus terminal. I hope this will come about.

You mentioned the Voyageur Colonial Ltd. offer. You probably know as much about it as I do. I just know that Voyageur has indicated an interest in making an offer for Gray Coach Lines Ltd.; and I understand that the TTC, which owns Gray Coach, has indicated an interest in receiving this offer. This is as far as it has gone at this time. Certainly GO Transit will be very interested in the terminal negotiations, because it will be one of the major users of the site.

You talked about the planning of inter-regional transit systems. I think I pretty well covered that in my previous discussions relating to GO-ALRT. As you may recall, in the original legislation that established GO Transit, GO Transit was to be a co-ordinating agency. As GO Transit became more and more an operating agency, some of the other transit authorities came to look upon GO Transit not as a co-ordinating body but as competition. As a result, the legislation was changed a couple of years ago, putting the responsibility for planning inter-regional transit back with the Ministry of Transportation and Communications. Taking this responsibility away from GO Transit seems to be working out very well.



I do not recall the particular letter where you talked about standing ahead of the white line or yellow line on transit buses or intercity buses.

**Mr. Samis:** Intercity.

**Hon. Mr. Snow:** As I understand it, the law states that no one standing in the front stairwell or ahead of that—

**Mr. Samis:** It cannot be because my colleague introduced a private member's bill after your letter.

**Hon. Mr. Snow:** We had better leave this at the moment. Somebody better check the Highway Traffic Act on this point. However, it has always been my understanding that it is illegal to stand in front of this line. In crowded transit conditions, when you get jam-packed buses on Bay Street, for example, it is awfully hard for the bus driver to tell that extra passenger or two to stand in the rain or the snow; that they cannot get on the bus because they would be standing in front of the white line. This can lead to a confrontation between the driver and members of the general public. We had better check the Highway Traffic Act on this. We do not have any lawyers here, do we?

10:30 a.m.

**Mr. Samis:** Not acting lawyers.

**Hon. Mr. Snow:** It is my understanding that this is in the act now.

Your next item was the matter of trucking and the new provincial trucking act. I think we all agree there is certainly a need for a new, modern act to regulate trucking in Ontario in today's atmosphere. I object to the use of the word "deregulation" because we are not deregulating. There certainly will be an easing of regulation, I will not argue that; but we are still going to have a regulated trucking industry in Ontario.

Nine years ago we were discussing Bill 4, which really started this whole process. Then, as I mentioned, the Gregory committee and then the public commercial vehicle review committee, now the rewrite commission and the implementation committee became involved. Aspects of this process of consultation have been going on for nine years altogether, and have been going on intensively for the last three or three and a half.

I do not agree the bill is incomplete. We have been working and legislative counsel are still working on bringing the final details of the bill together. The Ontario Trucking Association has had great input into this. Members of the OTA have been on the committee right through and they still are.

There is the retirement recommendation in Responsible Trucking for a review of the operations of the Ontario Highway Transport Board. That committee has just been established. It will result in eventual amendments to the Ontario Highway Transport Board Act. That process is under way.

I still wish to introduce the bill. I realize it is not going anywhere. It would only be introduced for first reading, which basically, as you understand, is a way of making the bill public and getting it out so everyone can get copies of it and have an opportunity to think about it, discuss it, have meetings, give us input and then, of course, we would reintroduce the bill in the spring session.

I hoped we could have it referred to a standing committee so that a committee could have a go at the introduced bill during February or early March. I understand there is a heavy load on committees and there are not going to be too many sitting during the winter so that may not be possible. If that is not possible, we would still invite input back to the ministry.

**Mr. Chairman:** May I ask a question on that? What about introducing it by way of a white paper? The act would be part of the white paper.

**Hon. Mr. Snow:** It better be on white paper.

**Mr. Chairman:** Or blue paper.

**Hon. Mr. Snow:** We have gone through the white paper process. Responsible Trucking was basically our white paper, our policy. The public commercial vehicle review committee came up with the Responsible Trucking report which we distributed broadly a couple of years ago. I would say that was our white paper.

Now, with all the work that has gone on in the implementation steering committee and everything, to go right back to square one and come out with a white paper again— what am I going to put in the white paper other than the bill?

**Mr. Chairman:** The bill and other discussion points could be in there. But I do not want to take the time. I criticize other people for interrupting and I had better bow out at this time.

**Hon. Mr. Snow:** We have given a lot of thought to this. A lot of work has gone into it and it has always been the understanding—it is only in this last day or two that people seem to be, I do not know for what reason, suggesting again we go back to the white paper route. That just means another three, four or five-year process.

**Mr. Chairman:** No, I do not think it has to. It could serve the same purpose as the first reading because, as you say, it is going to die on the order

paper. However, go on with Mr. Samis's response.

**Mr. Samis:** This is turning into a debate between the chairman and the minister.

**Hon. Mr. Snow:** We can call this a white paper bill or something; maybe that will help.

We certainly want the support of the OTA. I do not say we will be able to totally agree on every point. I would be very surprised if we did.

**Mr. Chairman:** I do not think we expect that.

**Hon. Mr. Snow:** There are not very many points at this stage on which we are not agreeing.

**Mr. Chairman:** That is right. There are just a few outstanding matters.

**Hon. Mr. Snow:** There are a couple of minor things. I do not know why OTA at this time is trying to delay the whole matter. It is certainly not a matter of wholesale deregulation. There were some comments in that OTA resolution referring to the fact we were not living up to the agreement we made with the other provincial ministers and the federal minister at the last meeting. That astounds me because we are doing exactly what all the ministers agreed to do. We are probably a little further ahead in the process than some of the other provinces.

The other question was, "What is the attitude in Ottawa?" This is another thing I discussed with Mr. Mazankowski yesterday evening. He has met with the CTA and he has told me, and I think he has told them and made it public, he wishes to proceed with the same initiatives that were under way for the lessening of regulation on interprovincial or cross-border moves, and a lessening of regulation and an increase in competition in the trucking industry.

He will be looking forward to January when we are supposed to meet again; or is it February? Apparently February 19 is the date for the federal-provincial ministers' conference. At our last conference in September he had just been appointed a week or two before and really was not in a position to get right into discussing all these matters.

**Mr. Eakins:** Will you be at that conference?

**Hon. Mr. Snow:** I certainly expect to be there.

**Mr. Gilbert:** That is why the date was set over to February 19, so that he would be available.

**Mr. Samis:** Back from Ft. Lauderdale.

**Hon. Mr. Snow:** I hope to be back from Ft. Lauderdale.

I appreciate the member's remarks with regard to my former assistant deputy minister Mark

Larratt-Smith. I was somewhat sorry to see Mark leave to go over to one of those social-cultural fields.

**Mr. Samis:** Was he kidnapped or what?

**Hon. Mr. Snow:** He was kidnapped, I guess, yes. It is a policy of the government to make certain moves in senior staff, especially at the assistant deputy minister level, to give an ADM broader experience in the overall government rather than having him stay in one policy field or one ministry for a long time.

I would certainly have liked to have Mark with us. I know he would have liked to have seen this trucking matter through because he was so deeply involved in it, but I have to assure you there has been no break in the continuity. Harold Kivi was there in the interim and now we have another Smith, Tom Smith, who is in there as ADM in charge of that area. He is a very capable man and I am sure when he leaves you will be saying what a great job he has done—that is if you are still here.

**Mr. Samis:** And you are still minister.

**Hon. Mr. Snow:** Then you got into the communications aspects, the Canadian Radio-television and Telecommunications Commission hearings on the long-distance semi-deregulation, I guess you would call it, allowing competition on long-distance rates. Those hearings have been going on and we have been there continually.

We will be taking Ontario's position to the hearings. We will be making our submission, but our policy in that type of matter is to not try to make up our minds and go in there blind before the hearings start. We have monitored, listened, studied all of the submissions made by all sides.

**10:40 a.m.**

We are doing internal work on that now. We are in consultation with our sister ministry, the Ministry of Consumer and Commercial Relations, which has an interest in that, too. Although they have not been at the hearings, we have been keeping them informed from the consumer standpoint. They are working with my staff now in preparing the argument we will put forward to the CRTC before the December 24 deadline for final arguments. We will be putting those points forward, and I assure you we will be strongly representing the consumers and the telephone users of this province.

You asked about contact with the federal Minister of Communications, Mr. Masse. There was a pleasant change in attitude down in Ottawa when Mr. Masse took over as minister. Within two or three weeks, he contacted my office and



wanted to come to Toronto to have a meeting to discuss communications matters. In three years we could not get a meeting with Francis Fox, but in three weeks we had one with Marcel Masse.

**Mr. Samis:** He had a love-in in Quebec City with the Parti Québécois after the election.

**Hon. Mr. Snow:** Who did?

**Mr. Samis:** Mr. Masse.

**Hon. Mr. Snow:** Did he? I do not know about that, but we had an excellent meeting and we are looking forward to an official federal-provincial ministers' conference on communications. I do not know whether that has been set up yet, but the officials are meeting at this time.

**Mr. Samis:** February 20 would be a good date.

**Hon. Mr. Snow:** When is that?

**Mr. Samis:** The day after your meeting with Mazankowski.

**Hon. Mr. Snow:** It is not always that easy to set up two of those, one after another.

**Mr. Eakins:** It might be Correctional Services or something like that.

**Hon. Mr. Snow:** I am lobbying for the Ministry of Community and Social Services.

**Mr. Samis:** Or without portfolio.

**Hon. Mr. Snow:** The next items you discussed were driving schools, testing and our new textbook which will be out early in the year. You emphasized longer tests and drinking problems—that is an education problem there—defensive driving courses and classroom instruction. These are all items we could spend a lot of time discussing.

Concerning the licensing of driving schools, we did bring forward a bill a few years ago to license driving schools, but the feedback we got on that caused me to rethink the matter and I have never brought the bill forward again. I am not sure there would be a great benefit. Driving schools are so diverse. You have large schools that have classrooms and have the capability to meet all the requirements we could have put in that act, but that would do away with a large percentage of the driving schools in Ontario in the smaller communities, which are basically one-man, one-woman, husband-and-wife or man-and-pa operations. They do an excellent job in providing driver training in the smaller communities in this province, but they could never meet the requirements we would set up for a licensing procedure of driving schools.

**Mr. G. I. Miller:** In that area, do you have any driving schools in which they get offroad

experience? We had a request from a chap who operates the Cayuga Speedway to put a driving school on that site. Are there any other facilities to match that?

**Hon. Mr. Snow:** I am not quite sure what you mean.

**Mr. G. I. Miller:** It would be offroad. Either truck drivers or car drivers would have a proper course set up—

**Hon. Mr. Snow:** I do not think we would be opposed to that, but I do not think you can give total driver training offroad. I taught my kids my drive. They started off driving the lawnmower, the tractor and the truck in the fields and driving the car around the barn.

The time my youngest daughter hit the corner of the barn with my wife's car was the only problem. Certainly a lot of training, handling and what not could be done offroad. You cannot totally train offroad, but I do not think we would have any objection to something like that.

**Mr. G. I. Miller:** Are there any facilities like that?

**Hon. Mr. Snow:** Not that I know of, but there may be. There are no official facilities that I know of.

With regard to propane inspection, we are implementing a requirement that all propane vehicles be inspected. It was supposed to have come into effect January 1, 1985, but there has been a problem with training all the necessary mechanics for the propane inspection certificate.

Some companies have had their mechanics take the course, which I believe was at the community colleges. However, the time required actually to get the certificate is causing a problem and some of the companies that have fleets of vehicles are not going to be able to meet the January 1 deadline.

I do not know whether it has been announced yet or whether a press release has gone out, but we have re-established the requirement implementation date; it will be April 1 rather than January 1. We have had to give the industry another three months to bring itself in line.

The motorcycle safety problem is ongoing. The use of motorcycles and the number of them on the roads seem to be going up substantially. It is good that this year our statistics are showing a little improvement in that area.

You mentioned a probationary licence and, with the difference in size of motorcycles, limiting the size for one or two years. That is all very interesting and I feel it would be of benefit. We have not yet got around to getting agreement



to put that in legislation, but I certainly agree about the size.

My son and I have a 500-cc bike at home that we ride around on. My son-in-law comes up with his \$12,000 bike with stereo and everything on it.

**Mr. Samis:** On the James Snow Parkway?

**Hon. Mr. Snow:** He says, "Come on; take my bike for a ride." I took the damned thing around the block and almost scared myself to death. It has so much power that, although it is a beautiful bike, there is a great benefit in having someone gain experience on a smaller machine before he buys one of those of things.

You talked about advertising. Bike advertising is working on a market. I do not know whether Playboy, Penthouse and so on are your normal reading material.

**Mr. Samis:** One cannot get Penthouse these days.

**Hon. Mr. Snow:** Half the magazine is filled with big, double-page fold-out ads showing the fanciest, most powerful motorcycles that Kawasaki, Honda and everybody else makes. I have had a little experience in riding motorcycles, and I think there are things we can do and we will continue to work on them.

I like to say I can drive everything that moves but there is one thing I cannot; I have not got to the helicopter yet. I have to take a course on helicopters. As to bulldozers, boats and everything else—

**Mr. Samis:** Do it for next year's Christmas card.

**Hon. Mr. Snow:** Next year I will have to get a helicopter.

I think we covered the other matters, the alcohol matter, federal-provincial initiatives, and the pictures on drivers' licences which is now in gear and will be implemented on January 1, 1986. We have discussed the Attorney General's committee.

Liquor advertising is something that is outside my responsibilities. I understand the member's concern. The last item I have is happy hours. I guess we were getting towards happy hour time last night when we got to that.

**Mr. Chairman:** We are looking forward to that.

**Hon. Mr. Snow:** This is before cabinet for discussion. I do not know what the outcome is going to be. There is certainly a concern with liquor establishments offering free drinks or half-price drinks or whatever during certain periods.

To some people, to you or to me, it might not make any difference, but it might encourage others to tip down a few doubles on their way home from work at night, if it happened to be during that time, which I think it is, and it certainly has the potential to encourage some people to overindulge and then go out and try to drive home.

The Highway Traffic Act reference to buses and the white line applies only to intercity buses.

**10:50 a.m.**

**Mr. Samis:** I think Mr. Mackenzie's bill dealt with municipal buses.

**Hon. Mr. Snow:** Right, that may very well be the reason. I knew it was in the act but it applies only to intercity buses, not transit buses, I guess for the reasons I outlined. They are trying to control buses when they are jam-packed full of people.

That completes my reply to the critics.

**Mr. Chairman:** Thank you very much.

**Mr. Samis:** Mr. Chairman, on a point of privilege: May I make a retraction? Last night I was very effusive in my compliments to the minister. One compliment I directed to him was for the brevity of his opening remarks, which ran 10 minutes.

I have learned, after three years of listening to this minister, that the strategy is very clever. The opening speech is about 10 to 15 minutes; the subsequent follow-up statement is usually around two to two and half hours.

**Hon. Mr. Snow:** You asked the questions and you wanted me to respond.

**Mr. Samis:** You have spoken for more than two hours in replying to our opening remarks, which I think totalled about an hour and six minutes, so I have to retract that opening compliment.

**Mr. Chairman:** We will accept that. We agreed last night that after continuing with the responses we would deal this morning with our first vote, vote 2801, as well as the Urban Transportation Development Corp. Is the committee prepared to dispose of vote 2801, or would you prefer to hear from Mr. Foley first?

**Mr. Samis:** We will deal with Mr. Foley first.

**Mr. Chairman:** Mr. Foley, would you like to come forward?

**Hon. Mr. Snow:** Where do you want him; up here or down there?

**Mr. Chairman:** I think down there is better.

**Hon. Mr. Snow:** Right there where the tub of water is.

**Mr. Chairman:** You have lots of water and you can use the whole table there to spread your material out. Committee members might have a few questions to ask. Do you have a statement?

**Mr. Foley:** No, Mr. Chairman, I do not; I am willing to answer all the questions.

**Mr. Eakins:** Mr. Foley, I am sure you are disappointed at not having the opportunity of continuing with our former critic, who is quite knowledgeable in this field. I have recently been assigned this responsibility and I am sure you will forgive me if I ask some questions that are rather elementary. Perhaps you can help me to better understand your operation.

First, can you tell me the total Ontario government investment and funding in UTDC to date?

**Mr. Foley:** Mr. Chairman, the question of funding always revolves around the form of funding. I do not want to make it too complicated, but there are two ways in which the government has put money into or has provided resources to UTDC in the past.

One was capital equity in the corporation itself. At present, the capital of the corporation, without its retained earnings, is \$35,691,000, so that would be a direct subscription of share equity.

In addition, we have often taken account of the fact that there have been research and development contracts between UTDC and the ministry. The largest was a \$55.5-million contract to develop the intermediate capacity transit system technology.

If you add those two together, it comes to approximately \$90 million and that is essentially the funding that is invested. The \$55.5 million is the subject of royalty payments to the provincial government when UTDC sells and delivers the transit equipment that has been developed under that \$55.5-million program. The return on that capital comes by way of royalties.

**Mr. Samis:** Is \$90 million the total investment of funding to date?

**Mr. Foley:** Yes.

**Mr. Samis:** What is the current number of all employees of the UTDC and its subsidiaries? Can you give me a breakdown?

**Mr. Foley:** It is around 1,400. I say "around," because RailTrans, one of our subsidiaries, which is owned 80 per cent by UTDC and 20 per cent by Hawker Siddeley, has approximately 400 to 500 employees who have been on layoff for some time. They are on a seniority list. The number of employees who will have taken other

jobs and come off the seniority list means there will be somewhat fewer than 1,400 employees.

**Mr. Samis:** What about UTDC itself?

**Mr. Foley:** It is a holding company that owns most of the other subsidiaries outright. It employs approximately 60 people.

**Mr. Samis:** This is a question that has been asked of you before. What is your salary, Mr. Foley? Is it a public figure? What are the salaries of the presidents and vice-presidents of UTDC and its group of companies?

**Mr. Foley:** I do not have all those with me. We have disclosed my salary before, but we have never disclosed the salaries of the other members of the management. Guessing at it right now, it is approximately \$112,000.

**Mr. Eakins:** Can I ask a supplementary? What was it last year? If I recall correctly, it was in the 90s.

**Mr. Foley:** I think it was \$98,000.

**Mr. Eakins:** Is your increase within the provincial guideline of 4.8 per cent, as is that of the provincial members?

**Mr. Foley:** All the salary increases at UTDC in the last two and a half years have been within the provincial guidelines. We submitted all those reports to the officer in charge of the administration of both the regulations previously and the guidelines since.

**Mr. Eakins:** Does the current property owned by the UTDC include anything other than the plants and the test track facility? Can you enlarge on this?

**Mr. Foley:** There are 480 acres in Kingston.

**Mr. Eakins:** I am referring to current property you own.

**Mr. Foley:** We own 480 acres in Kingston on which there is a factory of some 110,000 square feet. There are three buildings that enclose office buildings, training centres, computer facilities, engineering facilities and so on. There are a test and maintenance facility and a test track. In Thunder Bay there is a factory of some 600,000 square feet, plus administration buildings we own.

**Hon. Mr. Snow:** There are about 80 acres or something like that, are there not?

**Mr. Foley:** Yes, my recall is of approximately that amount. We own all the equipment in those factories, the tooling and so on. All our other office buildings are leased.

**Mr. G. I. Miller:** Can I have a supplementary to that? Does \$35 million cover the purchasing costs and the investment in the property?



**Mr. Foley:** The \$35 million is an equity contributed by the Ontario government. All the assets have been paid out of that equity out of the earnings of the corporation. As the 1983 annual report stated, there is approximately \$8.5 million in retained earnings which were profits and those assets have been reinvested in some of the buildings.

**Mr. Eakins:** Other than the acreage you mention, does the UTDC own any other property?

**Mr. Foley:** Not that I am aware of.

**Mr. Eakins:** No houses?

**Mr. Foley:** I think we still own two houses in Vancouver that were purchased for senior staff members managing that project. Two have been sold and two are still being rented.

**Mr. Eakins:** Is that the total property? Are there no other houses or property of which you are aware?

11 a.m.

**Mr. Foley:** No. We have leased property and office buildings in Toronto and we have leased some office buildings in Vancouver. We lease an office in Detroit and offices in San Francisco. We also have a small office in Washington. They are all leased.

**Mr. Eakins:** What is the Ontario government's total financial guaranty with respect to all the Urban Transportation Development Corp.'s current contractual obligations? Can you bring us up to date on this?

**Mr. Foley:** At the present time, there is a total guaranty outstanding of \$519 million in Canadian dollars. This is a maximum guaranty; some of them will be run down now in terms of their eligibility. Of this, \$300 million would be on the Vancouver project and \$44 million on the Detroit project. This is a US\$35-million guaranty.

There is a duplication in there. There is a payment bond and a performance bond. One expires after the other; they are sequential.

There is a \$63-million bond on a Santa Clara Transit District vehicle delivery.

**Mr. Eakins:** How much is that?

**Mr. Foley:** It is \$63 million, which is US\$49 million. There is \$14 million on a TTC Scarborough vehicle order and \$67 million on a Boston subway-car order which is a US\$ 52-million performance bond. This totals \$519 million.

**Mr. Eakins:** Is it a total of \$519 million?

**Mr. Foley:** Yes.

**Mr. Eakins:** For my own interest and in order to understand this a little better, I would like to ask you about a couple of the unsuccessful businesses you have.

I understand the UTDC withdrew from competition after a bid bond had been agreed to by the Ontario cabinet for the trans-Hudson project for the Port of New York Authority. How much was spent on this unsuccessful bid?

**Mr. Foley:** I do not know the exact numbers now. However, a bid like that would probably cost us somewhere between \$50,000 and \$100,000 to prepare.

**Mr. Eakins:** Why did you withdraw from the competition?

**Mr. Foley:** Fundamentally, it was for three reasons. We could not guarantee our deliveries.

**Mr. Eakins:** Why is that? If you are in the type of business you are, why could you not deliver?

**Mr. Foley:** We have to go back to the terms and conditions of the New York bid. In the United States you can use a tax-leverage lease process for purchasing equipment if you are a municipality or a transit authority. That was introduced in the early 1980s. It has since been repealed by the Reagan administration. However, it does not expire until the beginning of 1987.

This means if you can deliver all your cars prior to that date, the owner of those cars will get a significant tax benefit and he passes it back to the authority. Therefore, the authority put out a proposal which said, "If you cannot deliver all your cars by that precise date, you will then suffer a penalty of approximately \$250,000 per car if you fail to deliver by one day."

**Mr. Eakins:** Would that have been a similar situation in other places?

**Mr. Foley:** No.

**Mr. Eakins:** Was this exceptional?

**Mr. Foley:** There are always delivery dates and there are always liquidated damages you have to have as a bidder or supplier in this industry. Usually, they relate to something in the order of \$300 per day per car. You negotiate a maximum financial penalty for late delivery.

Every one of these vehicles is a complex, technical product. It has many subsuppliers and there are many reasons why you could end up with a late delivery. However, a penalty of \$250,000 per car for being one day late related to the authority's loss of the tax-leverage lease advantage. If they could not have it in service by that date, they lost the ability to sell it to someone and gain a tax benefit.



They were saying to all the suppliers, "If you cannot deliver by that date, then you make up our tax loss for us and do it as a matter of contract." When we looked at our bid, our current work in Thunder Bay and the ability to deliver that vehicle, we had a very narrow fit in terms of the schedule between existing work and that work.

**Hon. Mr. Snow:** A new plant had to be established to do the major part of this.

**Mr. Foley:** That was the second issue. The first was that delivery dates were tight. It reflected on our ability to meet current production while recognizing we have some labour problems in Thunder Bay. It was decided the risks were too great unless we could get the authority to agree to some changes in contract terms.

One of the other elements was they wanted New York production. There is a Buy America Act which requires final assembly be done in the United States. In New York, they wanted more extensive work. In fact, they wanted the car shells to be fabricated there.

We put in a bid which would have agreed to do certain fabrication work in Thunder Bay—knock-down kits—and ship the material to New York to do what was called the splice, that is putting the vehicle's sides, floors, ceilings and so on together in a facility there. We would then assemble all the bits and pieces.

The New York authority was seeking a further extension into the production process which would have called for roll-forming stainless steel, a very basic production process. We were not prepared to commit to that. We believed it would be an uncompetitive, long-term investment regardless of where we put it. Also, it would have given us an extensive overcapacity and we would be competing with ourselves out of New York.

Those were two reasons we withdrew. The third was because we looked at the design requirements of the bid, and the timetable we would have had to follow to make it, and recognized the labour problems in Thunder Bay that could have caused us to have some difficulties in meeting all the design requirements.

After meeting with the port authority, we decided it looked as if they were not going to waive any terms and the bid would get more expensive if we were to try to keep our hat in the ring. At that point, we decided to notify them we would not meet their conditions and effectively withdrew.

About a week later, we formally notified them we were withdrawing, largely to close off all the legal aspects of a bid outstanding.

**Mr. Eakins:** Was your total cost to look into this area somewhere between \$50,000 and \$100,000?

**Mr. Foley:** It would be approximately that.

**Mr. Samis:** Can you tell me who is left in the bidding for that contract?

**Mr. Foley:** It has already been awarded.

**Hon. Mr. Snow:** To a Japanese firm.

**Mr. Samis:** Which one?

**Mr. Foley:** Kawasaki.

**Mr. Samis:** How many firms were bidding?

**Mr. Foley:** These bids always go through several cycles. I think I have said that before. First, you go through the prequalification process. There might have been a dozen companies invited to prequalify. We believe there were perhaps four in the final shoot-out, as it were. By the way, this was not an open tender, as many are.

We know the Japanese company and Bombardier were in the final; we were and we believe one European firm. We cannot confirm that but we think it may have been a French firm.

I suspect this is useful information for you. We were very concerned about this. The Japanese are very anxious to get into the United States. In Canada, both Bombardier and ourselves have been able to compete effectively in the United States because, although the Buy America Act hurts us, it hurts other foreign competitors even more.

The Japanese largely have been prevented from bringing in their electronics and their electric components because they have to buy 50 per cent of assembled components in the United States, plus the final assembly. These are the rules of the Buy America Act. With a plant in New York, their 50 per cent would be made up of vehicle production.

**11:10 a.m.**

They will have a pretty free route now to import electronics, electrics and all the other subsystems from Japan. They can do the final assembly in New York and have a very good shot at the North American market. Therefore, it was a strategic advantage for the Japanese to win that contract.

**Mr. Samis:** It is surprising that this end result would be acceptable considering the strong protectionist sentiment in the United States these days.

**Mr. Foley:** That protectionist sentiment largely relates to jobs and trying to get foreign investment.

**Hon. Mr. Snow:** One of the requirements of setting up this plant in New York was that the plant be maintained for 10 years, not only for the two years or so that would be required to build these cars for this order.

**Mr. Samis:** Beyond?

**Mr. Foley:** Yes. Ten years in operation.

**Hon. Mr. Snow:** Ten years in operation. So that was a major concern to us in making a commitment to set up a plant and to guarantee it would be kept running for 10 years. If you get enough orders coming in, certainly you can keep the plant running for 10 years, but if you do not, there could be a tremendous penalty. We already have two plants in Ontario we want to keep operating. So we did not want to funnel work into the New York plant because of a commitment to keep it running.

Looking at it from a different viewpoint, if I were sitting in Tokyo at Kawasaki, I would want to get into the North American market. They know they cannot get in without having a plant in the United States.

**Mr. Samis:** Are they state-subsidized in any way in a venture like this? Do you know?

**Hon. Mr. Snow:** I do not know. I do not believe so.

**Mr. Foley:** It is almost impossible to determine the relationship between Japanese industries and the Japanese government. They are largely operating under a company called Niso Eyo, which is one of the largest trading companies in Japan. So the relationship is back and forth.

The Japanese have a captive market in Japan, as I am sure we are accused of having here. It is interesting to watch. The Japanese now have a carbon copy of our intermediate capacity transit system which is starting to operate in Japan. So there is no way we can sell into Japan. I believe they have, in effect, that form of cross-subsidization, if you want.

**Mr. Eakins:** Mr. Foley, how many competitions have you won where you have had to bid on the open market?

**Mr. Samis:** Could I ask another question on this, Mr. Eakins? I want to get it straight because there seems to be a perception in some circles which I think you have laid to rest. When you look at the overall rationale for backing out of the New York deal, the labour problems in Thunder Bay were just one factor. They were not

necessarily the prime factor, but they were definitely a factor.

**Mr. Foley:** It is unfair to blame and say we have a strike in Thunder Bay and therefore you throw away the bid. All these factors went into the issue. How risky is it? How much does it support corporate goals? How much does it support government goals? You look at it all and, for \$250,000 a car and a \$20-million penalty, you cannot expose it. So is that enough to withdraw or do you look at the others as well? So when you add it all together, we simply said, "You cannot go."

**Mr. Samis:** That is why I just wanted to get it on the record.

**Hon. Mr. Snow:** That is true of any company that is bidding on jobs. I was in the construction business for 25 years. You pick up plans for all kinds of jobs you intend to bid on from the architects or the engineers. You do not always bid on all of them, because when you get into them, you find you do not want to take the risks involved in some jobs for many reasons.

**Mr. Samis:** I am not disputing that rationale.

**Hon. Mr. Snow:** You may have spent a lot of money on bidding or get halfway through the bid and then all of a sudden maybe pick up another contract someplace else, so you decide, "With that work on now, I am not going to proceed with that."

**Mr. Samis:** I am not disputing that at all.

**Mr. Eakins:** This is why we are asking that question.

**Mr. Samis:** I want to get on the record the idea it is not just the question of the strike that caused them to back out.

**Hon. Mr. Snow:** The strike added to the risk. There is no doubt about that.

**Mr. Samis:** It added to the risk, right.

**Mr. Eakins:** Mr. Foley, how many competitions have you won where you have had to bid on the open market? Just for my own information.

**Mr. Foley:** In Santa Clara. That is the \$63-million contract. In Vancouver, that is the \$850-million contract. In Boston, that is the \$67-million contract and in Detroit which is the \$187-million contract.

Just to complete the answer, we have bid on basically three major bids in the current stage of marketing since 1981 that we have lost. One was the London Docklands Urban Development Corp. bid in the United Kingdom.

**Mr. Eakins:** I wanted to ask you about that. This was an unsuccessful bid. How much was



spent on this in the preparation of the bid, on your travel expenses, etc.? What would that amount to?

**Mr. Foley:** This was the longest running saga we have ever been involved in. I would guess it is very close to \$1 million.

**Mr. Eakins:** Why did you lose that one? I think you were starting to tell me.

**Mr. Foley:** I was going to add two others to the list.

I think we lost for two reasons. One is that we had a very strong, buy-British, procurement preference. The second was that the long-established technology evaluations in the United Kingdom with respect to conventional technology were difficult for the evaluators, largely the consultant evaluators, who I believe have some interest in the continuation of British technology, so they could not make the leap across the Atlantic and buy North American innovative technology.

**Hon. Mr. Snow:** This was one we really had definite hopes of getting. I met with the British people a number of times. The London Docklands executive people were over here twice, I think. We met with them here. They went to Kingston. They went to Vancouver to see the system out there. They were very impressed. They certainly gave me the impression our proposal and our technology was what they wanted.

Then, last January, I spent a day in London myself and met again with them and toured the whole London Docklands project. Certainly the opinion I got from all the technical people and the London Docklands people was that we had an exceptionally good prospect of getting that contract and that we would be recommended.

I think it became a decision at higher levels. Because of pride in the great country of Great Britain, they decided to keep the jobs and employ the people in Great Britain, rather than buy a system from these young whipper-snappers in Canada, that new colony they started up a couple of hundred years ago,

**Mr. Eakins:** I never thought I would hear a Tory say that.

**Hon. Mr. Snow:** I think that was basically the decision.

**Mr. Samis:** Can you refresh my memory as to the value of that contract and the nature of it as well? I have forgotten.

**Mr. Foley:** It was for 75 million British pounds, which would be about \$130 million or

\$120 million. The pound exchange rate is about \$1.75 now.

**Mr. Samis:** What were they asking for again? I am trying to remember it.

**Mr. Foley:** It was a people mover in the sense of a similar project to Scarborough, or very close to it.

**Mr. Samis:** So it is the intermediate capacity transit system technology you are talking about?

**Mr. Foley:** Yes, the ICTS system.

They were complex clients, with half made up of the docklands authority, which wanted to purchase the ICTS system, and half made up of the Greater London Council, which was on the way out; the Thatcher government was disbanding it. So we were involved in a multiplicity of political things that were going on in the process of what was the GLC going to be, and so on. The bid took approximately three and a half years from beginning to end, which is the longest one I have ever seen.

**Mr. Eakins:** You had an unsuccessful joint bid with Bombardier in Singapore. I wonder if you could give us some background there. What was the Urban Transportation Development Corp. portion of the cost there?

**Mr. Foley:** Let me just deal with the Singapore matter first of all. Our section of the work would have been to produce all the car bodies. They would have been produced in Thunder Bay and would then have been moved to Bombardier's facility in Quebec for final assembly and putting the components on board.

11:20 a.m.

We were trying to provide a bid that would have been approximately 50 per cent for each of the companies. That is very hard to do, but we had a number of bits and pieces that were added to the car bodies that would have given us approximately 50 per cent of the successful project.

The only comment I would want to make with respect to joint ventures, regardless of who they are with, is that you always tend to put in the high bid—meaning that if two boards of directors and two management groups have to agree on the bid, they seldom agree on the low price.

**Mr. Eakins:** So what would your portion of the costs be in that venture?

**Mr. Foley:** It would have been around \$75 million value added, with regard to the work we would have done to purchase materials and labour.



**Mr. Samis:** To what do you attribute the loss? Is it, again, the Japanese factor in financing their deals?

**Mr. Foley:** The high price and poor financing.

**Mr. Samis:** How serious do you think the loss of that contract is? I understand it was a total subway system, with vehicles, controls, the works. How serious do you see that loss with regard to getting into the Asiatic market?

**Mr. Foley:** It is not the end of the road in the sense of the seriousness of the loss, but getting a foothold is clearly very important. Singapore was one of the few places where they put the whole thing together as a package, as opposed to piecing it all out.

I think the most important thing to be said about Singapore is that we fool ourselves in this country if we think it is going to be easy to compete with the Japanese. They are literally about to take over the transit market worldwide, and they have shown us how to do it in Singapore, with a combination of low price and extensive financing.

Just to go back to the Santa Clara bid, the Japanese put 3.5 per cent financing on the table in Santa Clara. That was a competition in which we had to win against that kind of financing, so you had to take it out of your price.

**Mr. Samis:** How cut-throat was the financing competition? Were the French not in this one as well?

**Mr. Foley:** It appears that the Japanese beat the French.

**Mr. Samis:** That takes something.

**Mr. Foley:** You never know exactly all the bits and pieces of the financing. You can give holidays if you say, "We will not charge you interest for the first two years." You can imagine what that would do to your mortgage rate. So we believe they were financing 14-year money at somewhere around seven to 7.5 per cent. Those are pretty low interest costs.

**Mr. Samis:** The French are known to be pretty cut-throat as well.

**Mr. Foley:** The French are having their own problems domestically now, so French financing is changing slightly. We are beginning to see them not quite as competitive as they were two or three years ago. The problem, of course, is that the bottom has fallen out of the franc. Where they are not winning as much on financing any more, their domestic prices on a comparative basis are very low, because the franc has just collapsed in the last year and a half.

**Mr. Samis:** Can I just ask you how you see the Singapore bid in the context of Hong Kong and Shanghai?

**Mr. Foley:** It is a different product.

**Mr. Samis:** A totally different game there?

**Mr. Foley:** Yes. It is a streetcar system, a light rail transit system, in Hong Kong. It is quite a different product.

**Mr. Samis:** The same in Shanghai, an LRT system?

**Mr. Foley:** The issue with the Chinese market for us is that we believe Chinese financing, particularly with domestic sales in China and Hong Kong, to be very important. The key for us was to make a partnership with the Chinese for financing, because the Hong Kong dollar disappears as a currency in 1997, and the project has to be financed over 15 years to the year 2005. The only people who can really take the risk of Hong Kong financing are the Chinese, because they are going to be in charge.

It was important, then, to have that partnership. That one gives us an advantage. It may not be the same for the Japanese and the French, who do not have the ability to finance in Hong Kong dollars.

**Mr. Samis:** How does politics fit into those two deals?

**Mr. Foley:** We have political customers, only, anywhere in the world. We have no private sector customers for transit equipment, regardless of whether it is a dictatorship or a democracy.

**Mr. Samis:** No, I do not mean it that way. I just mean that we are rather alien to them—compared to competing with the Japanese—I would think, in the history and politics of that part of Asia.

**Mr. Foley:** Obviously, the Japanese are very much at home in Asia, but they appear to be just as at home in the United States. We have to face that competition; we either face it or get out of the business.

**Mr. Eakins:** Of course, you have to face the competition elsewhere, but in Ontario you do not have any foreign competition because the market is closed. Is that right?

**Mr. Foley:** Largely.

**Mr. Eakins:** So there is really a bit of a double standard.

**Mr. Foley:** No, I would not say there is a double standard at all. Ontario does about the same as everybody else, particularly the Japanese. There is no foreign competition bidding on

Japanese transit systems; there is no foreign streetcar, subway car or bullet train operating in Japan. We do not get to bid in any Japanese market whatsoever.

The same thing goes for Germany; there is no competition in Germany for its transit equipment.

**Mr. Eakins:** In what other areas is there no competition?

**Mr. Foley:** They would include Japan, Germany, France and, much to my dismay, the United Kingdom. The rest of the world is pretty much open.

**Hon. Mr. Snow:** Manitoba.

**Mr. Samis:** What does that really leave with respect to effective markets? The Third World—

**Mr. Foley:** It leaves all of the United States, Mexico, South America, the Middle East, Africa, most of southeast Asia, and China. We are going to have to produce vehicles in China if we are going to sell there. There is absolutely no doubt that they will not import total products from Canada. They will take some parts and some components. We will have jobs here producing things, but there will have to be assembly, manufacturing and investment in China if we are going to win that market.

**Mr. Eakins:** After losing a bid to Siemens in Sacramento, you indicated you might take steps to challenge the awarding of the contract. Did you actually proceed? If not, why not?

**Mr. Foley:** Yes, we did proceed and we won our challenge.

**Mr. Eakins:** Why did you challenge?

**Mr. Foley:** Because we felt the technical requirements we had to bid to had not been met by Siemens's bid. Therefore, they had a pricing advantage and we wanted the bid to be awarded to us because we were in second place. If that bid had been thrown out as noncompliant, we would have had the job. We were successful in our challenge but they threw all the bids out and started again.

**Mr. Eakins:** And did you participate in it?

**Mr. Foley:** We participated in the second bid but we could see what was about to happen. We decided that if someone wanted to take a big loss we might as well let Siemens take the big loss.

**Mr. Eakins:** I see.

In the Scarborough intermediate capacity transit system, as of September 1984, I believe some \$28 million of Toronto Transit Commission contract J-90-21, worth something like \$40 million, had been paid to the UTDC for the 22

vehicles. A TTC report in April 1984 indicated that 80 per cent of the contract was, for them, completed. How many cars have been accepted by the TTC at this time?

**Mr. Foley:** There are two elements in acceptance. There is a preliminary acceptance. All but two vehicles have gone through the delivery and preliminary acceptance; none of the vehicles has yet gone through final acceptance and none is likely to for another two or three months.

**Mr. Eakins:** Have there been any return debenture trends?

**Mr. Foley:** Yes, we took two vehicles back because they developed flat wheels after extensive emergency brake testing on wet track.

**Mr. Eakins:** I see. What about the scheduled opening date of March 22?

**Mr. Foley:** The schedule in Scarborough is virtually in the hands of the TTC.

**Mr. Eakins:** Is that going to be a firm date now?

**Mr. Foley:** The schedule for Scarborough is not UTDC's decision; it is a TTC decision. We supply the train control, onboard equipment and the vehicles. All the balance of the system is being delivered by TTC.

**Mr. Eakins:** Is there any holdup as far as you are concerned?

**Mr. Foley:** I do not believe so, no.

**Mr. Samis:** May I get in a supplementary on that one?

Does the minister have any idea what the final cost will be in Scarborough at this stage? Are we talking about \$180 million or is it going beyond that now?

**Hon. Mr. Snow:** I do not think there is any variance from the last published figure.

**Mr. Samis:** Was it \$183 million?

**Mr. Gilbert:** It was something around \$183 million.

**Mr. Foley:** I think it was \$181 million.

**Mr. Samis:** There has been no added cost? There is no projected added cost beyond that?

**Mr. Gilbert:** No, the last word we had from the TTC was that that was basically it. But remember, as Mr. Foley has said, the TTC certainly has been controlling—so-called—this project. UTDC has provided the rolling stock.

**Hon. Mr. Snow:** It is a completely different system from a turnkey project where UTDC does the concrete work, the track and everything. The TTC does all that work itself; we are just

supplying components. We are a subcontractor, in other words.

**11:30 a.m.**

**Mr. Eakins:** With regard to the Detroit People Mover, according to the Southeastern Michigan Transportation Authority UTDC has agreed to pay somewhere between \$2 million and \$5 million to replace or repair the faulty concrete beams.

**Mr. Foley:** I have read the quotes in the newspaper but—

**Mr. Eakins:** Is that true?

**Mr. Foley:** No.

**Mr. Eakins:** Why would he say that?

**Mr. Foley:** I do not know. You would have to ask him.

**Hon. Mr. Snow:** Why do you fellows on the other side of the House say some of the things you do?

**Mr. Eakins:** That is our job.

**Mr. G. I. Miller:** We are supposed to keep you on your toes.

**Mr. Eakins:** Ask the Minister of Education (Miss Stephenson) why she says some of the things she does.

**Mr. Foley:** The situation in Detroit is that we have, as we do on all of our contracts, subcontracted significant amounts of the civil construction and the local work. To give an example of how much is contracted, right now—the 1,400 employees we talked about earlier are probably on a daily basis—there are some 15,000 people working on all our projects. About 85 per cent gets contracted out.

In Detroit, as in Vancouver, we contracted the beam production to a local fabricator who sets up a concrete precasting yard and fabricates these beams. We supply him the design of the beam and we supply the form in which they cast these things. It is like baking cookies. In the process, we also contracted out the quality control subcontract to local consultants and we contracted out some of the construction management aspects of it.

There are three sub-suppliers to UTDC involved in the Detroit beam program: a quality control sub-supplier; a construction project management sub-supplier; and the beam fabricator.

In the process of pouring the concrete in a number of beams, there is a cage that provides the structural integrity of the concrete beam, made up of a reinforcing bar that is lowered into the form first and it is held off from the sides with what are called chairs. These are plastic chairs

that just set it so that it is positioned inside this little cookie tin and you then fill it up with concrete.

In the process of filling up the forms with concrete, he did it all properly with the first number of beams but then he decided he wanted to advance, filling one side of the form before pouring concrete into the other side. This built up a hydrostatic load on that side, which rotated the cage inside so that the reinforcing bar gets closer to the edge of the beam than one would want.

In every beam one casts there would be some movement. One cannot keep these beams perfectly still, so we set a lot of tolerances. In the process of examining the beams prior to erection, it was determined through the quality control process that a number of beams had a reinforcing bar that might be too close to the edge. We did an extensive examination. It really does not relate to the strength of the beam, it relates to long-term maintainability. If we look at the Gardiner Expressway, we have an example of corrosion that gets into the rebar and then we get spalling of the concrete.

Our concern is twofold. One is, can we protect the beam by coating it? There were a number of beams that we could protect by coating with Silane and epoxies so that long-term maintenance is not a problem. Those beams were subsequently accepted and are being erected. With 32 beams, we judged 12 of them and our customer judged 20 of them to be of marginal capacity to give long-term life through this coating, so we rejected them and the beam contractor is recasting them.

This is a small Canadian beam contractor operating out of Windsor. He was the low-bid contractor. In the process of recasting those beams he had some financial difficulties, so we are negotiating with him and his bonding company to keep him operating to recast these beams. At present, we have decided to help him finance the production of these 32 beams in order that he does not go bankrupt or end production.

At the end of all of this we will then sort out, whether through negotiation or through court action, where the responsibility between the various subcontractors goes, whether it is quality control, project management or the construction and fabrication of these beams. In the meantime we will finance some portion of the recasting of those beams.

**Mr. Eakins:** Do you see a delay in the proposed opening date of January 1986? Will that be pushed back? Do you have any involvement in that?



**Mr. Foley:** The Detroit project is suffering from a number of cost increases and schedule delays because of a significant number of changes in station design, relocation of the maintenance facility and rights of way. Some of the right of way that was given to us as free and clear is not free and clear; for instance, along the berm of the Renaissance Center. The engineering that was done when they built the Renaissance Center is not what it was supposed to have been; so we have to do some of the rebuilding of those things. They are all going to produce a delay of some six to eight months in the opening date.

**Mr. Samis:** May I ask a supplementary? The paper says the cost has gone up from \$137 million to \$183 million. Can you give us a general breakdown of where all those added costs come from and how much is from the problem with the beams, the problem you have just described?

**Mr. Foley:** The beams do not add anything to that. Whatever the beam contract recasting costs will be, it will not go to the client. It will be put into either the subcontractor on a quality control basis, the project manager or the beam caster himself; so obviously there will be arguments and negotiations about how that is going to be spread among those people. It looks to be somewhere around \$1.5 million to recast and re-erect those beams, but that is not included in any of those cost increases.

I cannot really give you a breakdown.

**Mr. Samis:** What will be the largest single component in the increase?

**Mr. Foley:** Probably the relocation of a maintenance facility from where they originally wanted it to two blocks north of there, increasing the size of it from 40,000 square feet to 70,000 square feet and, because of that, raising the guideway from 17 feet to 47 feet to go over the Cobo Hall and changing all the stations down that leg to be integrated stations in buildings and facilities as opposed to free-standing stations. Those three or four areas would be the largest ones.

The next ones, of course, are related to re-engineering the Renaissance Center berm and tiling on the river; the design work they originally gave us there has proved to be inadequate to support the foundations, so we have to put piling, I believe, 120 feet deep into the river.

**Mr. Eakins:** I have just a couple more questions. What is the current status of the Santa Clara order?

**Mr. Foley:** It is signed, it is under design and it will be under production as soon as we can settle our labour situation.

**Mr. Eakins:** What is the proportion of Canadian content?

**Mr. Foley:** If you take the components we buy—electric motors, door controllers and so on—50 per cent of that is being purchased in the United States to meet the Buy America Act; all of the balance is purchased in Canada.

We are fabricating the trucks and the car bodies totally in Canada, and we will do final assembly, which for official purposes will be 10 per cent, in the United States. That is always a difficult number because the question becomes, 10 per cent of what? We try to do as much assembly in Thunder Bay as we can, but we know we have to make it as close to 10 per cent as we can get it.

We have a minority business requirement in the Santa Clara order, which I think is to match another 10 per cent from minority businesses in the United States.

**Mr. Eakins:** What is the expected profit in dollars on that contract?

**Mr. Foley:** It is hard to allocate that because there are two contracts running simultaneously for streetcars. The Toronto Transit Commission and the Santa Clara one, as we went into the whole pricing, are linked together, and the profit is probably \$4 million or \$5 million on both of those contracts.

11:40 a.m.

**Mr. Eakins:** I just have one more question, and then I will turn it over to Mr. Samis.

In Vancouver, what assurances do you have that the line is going to be fully operational according to the contract, which is guaranteed by the provincial government? Do you see a delay there?

**Mr. Foley:** No. We believe the project is under budget, on time and doing very well. It is a very attractive project.

**Mr. Eakins:** Is a schedule available for the opening date?

**Mr. Foley:** The yards are already commissioned. There are vehicles out there now. We are starting to move down from the maintenance facility in both directions to bring that on line. We have one year and three weeks left, and it all looks very good.

**Mr. Eakins:** George, it is your turn now.

**Mr. Samis:** May I just start off on the Vancouver project? You said you were under

budget. Earlier this year, an article in the *Globe and Mail* talked about a possible figure of \$880 million. We started at \$718 million. What is your projection now as to where the project is going to come in?

**Mr. Foley:** It will be somewhere around \$800 million.

**Mr. Samis:** Somewhere around?

**Mr. Foley:** Yes.

**Mr. Samis:** But nowhere near \$880 million; is that what you are saying?

**Mr. Foley:** No.

**Mr. Samis:** What is that due to, some of the construction industry settlements in British Columbia?

**Mr. Foley:** Vancouver has been a good project for a number of reasons. One is that we have developed a management team, between ourselves and our customer. It had its rough bumps at the start, but as with all big projects, it was sorted out, it is working very well and it has brought a bunch of efficiencies into the process.

In addition—I do not think we can claim a lot of credit for this—there was a recession in the 1981-83 construction period; inflation was falling and interest rates were coming down. That helped us a great deal, and it helped a lot of contractors to put in very aggressive low bids, which also helped us.

Some of our estimates turned out to be higher than actual figures. Keep in mind that these were the first production cars, being brought out in Scarborough, Detroit and Vancouver all at the same time. This was the first production effort. We have had some savings in those.

**Mr. Samis:** Have you been affected by any of the labour problems they have had out there, in the conflicts between unionized and nonunionized contractors?

**Mr. Foley:** We have had excellent relationships with the unions in British Columbia. We had perhaps three days of work stoppage in the entire three years of production. I will keep my fingers crossed, but our relationships with the unions and the work trades have been excellent. I have to give the local management out there, who live in these houses, credit for that.

**Mr. Samis:** You could not resist. You will write a memo to Bill Bennett as to how people can work together without having confrontations, walkouts and so on.

**Mr. Foley:** No, I do not think I will write a memo.

**Mr. Samis:** He could use a few.

I want to ask you a very general and philosophical question. You work for a minister who is an avowed right-winger, who works in turn for a Premier who is an avowed red Tory. In 10 years, this minister has acquired all sorts of companies in the public sector as a free-enterprise, right-wing, conservative, Miller-time, let-us-swing-to-the-right type of minister. Last year, you talked about public versus private—

**Hon. Mr. Snow:** You have been doing a lot of research on me.

**Mr. Samis:** Listen, how could I avoid it?

What are your thoughts this year on the whole question of eventual private ownership or any move towards privatizing any aspect or facet of UTDC operations?

**Hon. Mr. Snow:** Perhaps, as the shareholder, I should answer it.

**Mr. Samis:** He started the waxing last year. You can chime in afterwards.

**Mr. Foley:** As chief management officer of UTDC, I have to say that I see no reason why the corporation—under its present operations, in the organization of the subsidiary companies and the way in which the projects have been organized and put forward—could not be sold or divested of to some extent. There is no technical or commercial reason why you could not dilute the government's ownership in UTDC and see a successful corporation continue.

**Mr. Samis:** That same statement would apply to a lot of corporations—not all but a lot.

**Mr. Foley:** I cannot answer past this one.

**Mr. Samis:** Yes.

**Mr. Foley:** There is an argument to be made that our products are all publicly procured, that in many cases there are significant advantages in government-to-government transactions and that we do have a need in North America, and particularly in Canada, to continue a high level of research and technical development on these product lines if we are going to be competitive. A long-term, continuing relationship, with government ownership, is important. However, it does not have to be exclusive.

Those are largely management and personal beliefs. The shareholder may have his own view, and government will have its own view of what it wants to do to the UTDC. It will not be a management decision as to whether we divest; we are providing information and undertaking studies and an analysis so those options are always before the government.



**Mr. Samis:** Let me ask the shareholder if he wants to inform us of any of his views as to where UTDC should be going in terms of ownership.

**Hon. Mr. Snow:** I do not think at this moment I could say we are planning to privatize or to partially privatize UTDC. However, the operations of UTDC over the past few years have been leading me—I am speaking personally now; it has never been discussed at cabinet level—to feel that perhaps a couple of years down the road from now there may very well be an opportunity to partially privatize UTDC.

There is value in having government involvement, as Mr. Foley has said, because we are dealing with other governments. The only customers we have are governments. Many of those governments like to deal with a company that has government involvement or guarantees behind it.

We have seen a number of privatizations. As an example, Pacific Western Airlines was taken over by the government of Alberta and restructured, joined in with Transair Ltd. and made into a very strong regional airline in the west. To a great degree, I do not know the exact percentage but it is about 85 per cent or something, it has been sold off to the private sector with no problem.

**Mr. Samis:** I do not know what your polls tell you, but obviously in Alberta there was a fairly strong public opinion about the idea of public ownership of the airline.

**Hon. Mr. Snow:** I do not take polls.

**Mr. Samis:** You do not take polls but your government takes them every month, we know that.

We talked about divestiture. What would you like to see the next Premier—let us assume it is your friend as opposed to your foe—do in terms of divestiture? What aspects of UTDC do you consider suitable? Second, as the chief shareholder, what do you think you should do to protect the public's investment in UTDC? Is the public investment about \$90 million up until now? Third, I would ask Mr. Foley who would be potential customers, depending on what aspects he wants to divest?

**Hon. Mr. Snow:** I suppose we could look at divesting the manufacturing part of the operation separately. I do not think it is beyond the realm of possibility. We are not studying or planning it at this time. As I say, I do not see divesting the whole thing. The government would keep 50 per cent or 40 per cent or a third or a quarter.

We have just seen the British Telecom share issue, which was the largest divestiture of a corporation. I forget what percentage they put on the market, but it was sold before you could get any. We have a federal government that is looking at divesting itself of some of its crown corporations at the present time. We have to watch what happens in a number of these aspects.

Philosophically, I have no problem whatsoever and would prefer to see a major private sector ownership of UTDC eventually.

**Mr. Samis:** I assumed that.

**Hon. Mr. Snow:** Looking to market the thing, naturally we are still to some degree in the development stages. When we have Detroit, Vancouver and Scarborough all completed, open and running, and some other contracts in the process, that would be a better time to consider some type of privatization. We are not considering that at this time, but looking down the road I see it as a very feasible alternative if that is what the government of the day decides to do.

**Mr. Samis:** Thank you for the answer. I also remind myself that you did not vote against the purchase of Suncor by the Conservative government.

**Hon. Mr. Snow:** How do you know how I voted?

11:50 a.m.

**Mr. Samis:** You never spoke out against it in public. You never voted against anything in public.

Can I ask Mr. Foley a general question? Based on your experiences this year with Detroit, the ongoing experience with Scarborough and Vancouver, your international experiences in London, and especially in Singapore, bids in the United States and whatever lies ahead in the Third World and South America, what is your general view of where UTDC is going from here?

**Mr. Foley:** There are three or four areas we have to maintain if the company is to be profitable. This year it will probably earn in excess of \$10 million in profits. We see the next few years as reasonably profitable on the present product line, which tends to be involved in three or four areas. One is ICTS, the intermediate capacity transit system, the advanced technology. Another is modernizing conventional technology such as subway cars and streetcars. We see a very large market in the suburban-urban commuter area for the GO-ALRT type of product. Obviously, we are doing a lot of research on things such as new suspension systems and propulsion systems for transit.



We believe there will be some radical changes in product dimensions within the next six to eight years and we have to keep up with them. Our problem will be to be profitable enough to generate the funds to develop them.

**Mr. Samis:** When you talk about radical changes in the next decade, what do you see these changes as being?

**Mr. Foley:** We see some major changes in propulsion technology, particularly with respect to energy utilization from DC power drives to AC power drives. We see electronics and fibre optics taking the place of a lot of wires and cables and management systems on board the vehicles.

The fabrication techniques are going to move away from aluminum to stainless steel. The production itself is going to absorb many of the technologies we have seen the Japanese, and now the Koreans, introducing in production facilities. We have already had to put into Thunder Bay a completely computerized drafting and design operation. We are in the middle stages of modernizing that whole production process to have, in a sense, automatic design.

In all those areas, we have to take the industry, the production facilities and the products to those levels of sophistication, otherwise I think we are going to be run under by the Europeans, the Japanese, and as I have said to you before, we all ought to watch the Koreans. That is where the competition is going to come from. If we cannot keep up with it, there will not be any market in Canada big enough to keep the whole thing operational.

**Mr. Samis:** In terms of the western world, do you see light rail transit as being the primary market?

**Mr. Foley:** No, I do not. One of our major interests right now is developing some tunnelling technologies that are coming on board. No matter how you look at a transit product, it is 60 per cent civil structure. If you cannot get the 60 per cent of the construction costs to be more efficient, there is not much reason to keep trying to get the vehicles and vehicle components at a lower cost. Tunnelling technologies and new concrete extrusions are very much it for the next 10 years.

**Mr. Samis:** Obviously, you would be totally opposed to the perspective of the former member for Wentworth North but, realistically, what future do you see for ICTS technology in terms of markets?

**Mr. Foley:** You have to look at Vancouver. If it comes in at \$800 million for 21 kilometres of system, it is going to be the lowest-cost transit

system on a kilometre basis anywhere I know of capable of handling 20,000 to 25,000 passengers per hour. I challenge any member of the Legislature to come out to Vancouver and look at that guideway from the point of view of its urban aesthetics and—

**Mr. Samis:** We already have an invitation for Expo 86.

**Mr. Foley:** I think the ICTS is very close to being the product that was defined in 1975 as being needed for a major change in the cost of transit technologies. I see it as having a major market in the United States. We have watched Washington, Baltimore and Miami come to it in the billions of dollars. We are looking at Houston and Los Angeles, which are talking about spending anywhere from \$3 billion to \$8 billion for transit systems. That cannot be afforded.

**Mr. Samis:** There are two aspects to it. There is the cost of creating the system, and there is proving that the system works and that it is cost-efficient once you have it. How long will it take before we can assess Vancouver, four or five years?

**Mr. Foley:** I believe it will take us two years to assess it. We have been through this. I miss Mr. Cunningham despite the—

**Mr. Samis:** I am sure you miss him deeply; the minister does equally.

**Mr. Foley:** It is much more relaxing perhaps, but I do miss him.

**Mr. Samis:** You do not have the same fixation with little guys that he does, do you?

**Mr. Foley:** No; I have no problem with that.

We started looking at technology change on paper in 1974. We put into operation three radical technologies in suspension, propulsion and train control. In 1979 and 1980, there were constant complaints that the technology would not work. Once it was proved that it worked, it was questioned whether it could be sold. Then it was said we could not build it and that if we got it built, one would not be able to operate it.

I recognize it is a 10-year program. Product development will take in excess of 10 years, and product proof will take a few years past that. I recognize the risks the government of Ontario has taken. I believe many of those risks are paying off in jobs and technology. I would love to have you take a look at the Japanese paper just produced that gives Canadians credit for being far advanced in intermediate capacity transit technologies.

Our staff just came back from Japan, where a prototype of what they call LM1, linear motor

transit 1, has been tested. My senior engineer says it is déjà vu; it is like 1975 and 1976 when we were operating at the test track in Kingston. Earlier, in 1974, the statement was that if we were so smart how come the Japanese has not done it already.

I am worried. The Japanese are very smart and they are about to do it. They are watching Vancouver. Every quarter a mission comes over from Japan and tours Vancouver, going through the maintenance yard. It is hard to stop them because it now is 21 kilometres spread all over the city and they can take whatever pictures they want.

**Mr. Samis:** I am not so sure you do not have a fixation about little people, except yours are yellow and his come from Hamilton.

**Mr. Foley:** I have a fixation about the Japanese being very astute marketers and product developers. It is an important and serious business. If Canada wants to stay in public capital goods production and delivery, and we want to spend this kind of money, we have to recognize there is a tough world market.

They are not going to go away. They are going to invade our markets. I recognize the criticism of what we are doing. I recognize the risk of the money we are spending. You have to see where the markets are; otherwise, we cannot maintain the jobs, profits or investment and development. It is one thing to ask for research and development to be done in this country; but if we cannot sell it, why bother?

**Mr. Chairman:** It is now 12 o'clock. Mr. Samis, do you have many more questions? We decided to go until 12 o'clock.

**Mr. Samis:** I have a few more.

What is so wrong with the Kingston Whig-Standard as a newspaper that your vice-president says he will not talk to it and will not include any press releases for the Kingston Whig-Standard.

**Mr. Foley:** Nothing is wrong with the Kingston Whig-Standard as a newspaper. Mr. Stevenson is acting under direct instructions from me that we will not answer questions and we will not provide it with information. Fundamentally, it is because of the recent articles that were totally unbalanced and unfair. They attribute statements about product failure, product safety and quality control to people who do not have and are known not to have the competence to make the statements.

I believe the UTDC has to be open and answer all the media's questions. It has to answer all your questions and submit itself to all the

committees, public accounts investigations, audits and all other investigations, but we have an obligation to protect the product the taxpayers invested in. To the extent that product is being unfairly and wrongly damaged, then I think the corporation's management has to protect that. We have talked with the reporters.

**Mr. Samis:** That is my point. Surely it would make sense to try to iron out the difficulties. I notice Mr. McNeil challenged you to come in and say where they have made specific errors in their stories. Surely that is where you have to produce the product. You have a sizeable investment in that community; one hopes it is going to be a long-lasting relationship. Surely it is in your interest and in the government's interest to iron out your differences and meet with them. You are at war with them right now.

**Mr. Foley:** No, we are not at war with them. We simply said on the basis of the discussions we have had and on the basis of the information, we do not believe there has been fair and balanced reporting; particularly with respect to two issues: product safety and product quality.

We have said to all the media there is nothing we will not discuss with them. We do not believe there is another form of protection for the product. We have talked to the reporters. We have talked to the people. I agree, I have not met with the publisher or the editor. I am quite prepared to do that.

**Mr. Eakins:** You will be doing that then?

**Mr. Samis:** He did not say that.

**Mr. Foley:** I am prepared to. I do not believe at the moment there is any war going on between the Kingston Whig-Standard and ourselves. We have simply said it was clear there was an issue at stake and that individuals who are not competent to make or express statements about—

**Mr. Samis:** They are your ex-employees. You are saying they are incompetent, but they were your employees.

**Mr. Foley:** They are not engineering people. They are not people involved in or knowledgeable about the design constraints. To say a vehicle is unsafe and will crash has to be a statement of competence, and it was not.

**Mr. Chairman:** Could I break in here? First, I thank Mr. Foley for being with us this morning and answering questions of the members of this committee.

Is the committee prepared to pass vote 2801, so we can get into the roads program immediately tomorrow night?

**Mr. Samis:** As long as the minister tells us where Morley Kells has been.

**Mr. Chairman:** Did you miss Morley? He was here.

**Mr. Samis:** He was here for about 30 seconds.

Vote 2801 agreed to.

**Mr. Chairman:** We will meet at eight o'clock tomorrow evening in room 151.

The committee adjourned at 12:03 p.m.

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**Wednesday, December 5, 1984**

**Adjournment** ..... R-1205

## SPEAKERS IN THIS ISSUE

Barlow, W. W.; Chairman (Cambridge PC)

Eakins, J. F. (Victoria-Haliburton L)

Miller, G. I. (Haldimand-Norfolk L)

Samis, G. R. (Cornwall NDP)

Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)

### **From the Ministry of Transportation and Communications:**

Foley, K. W., President and Chief Executive Officer, Urban Transportation Development Corp.

Gilbert, H. F., Deputy Minister













# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Estimates, Ministry of Transportation and Communications



**Fourth Session, 32nd Parliament**  
Thursday, December 6, 1984

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, December 6, 1984

The committee met at 8:03 p.m. in room 151.

### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

On vote 2804, provincial highways program, and vote 2807, municipal roads program:

**Mr. Chairman:** We are ready to proceed with the roads program this evening. We have a commitment to the member for Nickel Belt (Mr. Laughren) to have an opportunity to make a few remarks to this committee and perhaps even ask one or two questions.

**Hon. Mr. Snow:** Mr. Chairman, before we start, the committee asked for information with regard to the 1986 World Exposition, Expo 86. We arranged today at great expense and a tremendous amount of effort to bring the model—

Interjections.

**Hon. Mr. Snow:** Mr. A. S. Kell is here tonight as the man responsible for the programs at Expo 86. We brought the model here, as you can see.

**Mr. Stokes:** I thought Mr. Gilbert was doing all that.

**Hon. Mr. Snow:** He is the chairman of the board. Mr. Kell does all the work.

**Mr. Laughren:** That is the way it should be, is it not?

**Hon. Mr. Snow:** The model is here. There are some pictures on the wall, different shots of the pavilion and what it will look like. Also, there is a map showing the False Creek site of Expo 86 and where the Ontario pavilion fits into it.

I believe the Ontario pavilion is the blue one at this end. It is only appropriate it be this colour. Whether you want to spend any time on that, or whether you just want to look at it and ask questions of Mr. Kell privately, you may do so.

You will recall yesterday morning when Mr. Foley was here there were certain questions with regard to figures he gave without the benefit of any notes as to what his salary was this year and last. When he got back and checked his office the next morning, he found it was slightly different from what he had told us.

**Mr. Eakins:** What is his salary?

**Hon. Mr. Snow:** The chairman of the board of the Urban Transportation Development Corp., Mr. Butler, has sent me a letter today along with a copy of one from Mr. Foley showing his salary and what it has been for the last four years. None of the figures he gave you the other night was quite right, so I would like to table these documents.

**Mr. Eakins:** If he cannot remember his own salary, how can we really—

**Hon. Mr. Snow:** Can you remember yours?

**Mr. Eakins:** Yes.

**Hon. Mr. Snow:** Tell me what it is.

**Mr. Eakins:** You know that. It is right in the book and everyone gets one.

**Hon. Mr. Snow:** Yes, but I do not have the book with me. I cannot tell you what mine is.

**Mr. Eakins:** How can we justify the figures he gave us?

**Mr. Samis:** Let us hear how much off he was.

**Mr. Eakins:** Maybe there should be a change in the other figures he gave us.

**Hon. Mr. Snow:** What other figures?

**Mr. Eakins:** In the answers to the questions we asked him last time.

**Mr. Chairman:** If I recall, Mr. Foley said, "I am not sure, I think it is about \$112,000."

**Mr. Samis:** What is the revised figure?

**Hon. Mr. Snow:** I will give the chairman—

**Mr. Samis:** Let us put it on record as well.

**Mr. Eakins:** Let us read it into the record.

**Hon. Mr. Snow:** I can do that if you want. Mr. Foley's salary for 1984 is \$118,000.

**Mr. Samis:** He underestimated it.

**Mr. Laughren:** No wonder he did not want it tabled.

**Mr. Stokes:** I could forget, too. I could not count that high.

**Hon. Mr. Snow:** This is about a 5.7 per cent increase over the previous year; 1983 was five per cent over 1982; 1982 was nine per cent over 1981.

**Mr. Eakins:** He is doing pretty well.



**Mr. Wrye:** That is \$21,000 in three years.

**Hon. Mr. Snow:** Those are the figures supplied to me by the chairman of the board of UTDC and by Mr. Foley upon checking the corporate records. I think the people down in the corner want one, too.

**Mr. Chairman:** The clerk was sent out to get extra copies.

**Mr. Samis:** Did Mr. Foley have any explanation for the errors?

**Hon. Mr. Snow:** I have not talked to Mr. Foley.

**Mr. Gilbert:** I spoke to him. He said, and I certainly believe him, that his salary is deposited in the bank, just as mine is and most people's today. After income tax and everything else that comes off, he does not look at it, other than what is deposited. That is why when he got back to his office he asked exactly what his salary was, and how it worked out over the past few years.

**8:10 p.m.**

I certainly believe him. As he said here, he thought that was about what it was. I do not think that is unusual at all, when a gentleman is asked a question like that and, as I say, with his salary being deposited each month, I do not think he can be criticized for the fact that he did not know it to the exact dollar.

**Mr. Eakins:** That has to be a straight salary. There is no travel allowance in there. Are there any extras in there or is that strictly salary?

**Mr. Gilbert:** I do not know.

**Hon. Mr. Snow:** That is his salary. That would not include his travel expenses.

**Mr. Eakins:** Are there other things? That is what I would like to know.

**Hon. Mr. Snow:** Not to my knowledge. That is the figure that has been provided to us by the chairman of the board of the Urban Transportation Development Corp. as to Mr. Foley's salary. Certainly it does not include his travelling allowance.

**Mr. Chairman:** Thank you for clearing up those points.

**Hon. Mr. Snow:** He does do a lot of travelling. He is in Vancouver today.

**Mr. Chairman:** Now on to the votes we have before us this evening. I know Mr. Laughren has other important business to attend to in the House and we did make a commitment to him that he would have first opportunity to speak. When I say "we," I mean the House leaders did. It pays to be popular with the House leaders.

**Mr. Laughren:** Thank you and I would like to thank the official opposition for being so co-operative.

**Mr. Chairman:** I did not discuss it with them.

**Mr. Laughren:** We did and they were most co-operative. I would remind you, however, that we are breaking one of the rules of the House tonight by having this committee on while Bill 101, the workers' compensation bill, is being debated in the House, so there was give and take on both sides.

**Mr. Chairman:** That is right. There really was, yes.

**Mr. Laughren:** I wanted to raise a couple of matters briefly with the minister. The first issue has to do with the maintenance of highways in northern Ontario; in particular, the maintenance of Highway 144 that runs between Sudbury and Timmins.

There is correspondence between the minister and me concerning this. I wrote to the minister because I had heard rumblings around the northeast that the people who maintain the highway in the winter, operating out of Cartier and Gogama in particular—good people all—were instructed that for this winter they would not be spreading any salt on the road. They would be simply spreading sand and only down the centre strip. I think the minister calls it the centre-bare standard of winter maintenance.

I wrote to the minister and told him I was concerned about this because that highway is, I believe, two feet narrower than most highways in the province. When you combine that with the number of curves on the road, plus the amount of snow there, plus the centre-bare standard, it is creating a dangerous condition.

I wrote to the minister and long before I got the reply, and believe me, I have never made a practice of getting angry at civil servants, especially civil servants in the Ministry of Transportation and Communications because you do have a good civil service—

**Mr. Chairman:** I think he is listening.

**Mr. Laughren:** Not even Mr. Snow is. I started getting feedback that people were being told I was criticizing the employees of the Ministry of Transportation and Communications for not doing a good job.

There is only one way that word could have got out in the northeast and that is through the Ministry of Transportation and Communications. I resented that very much. If a member raises a question of the standard of highway maintenance as directed by either the head office

or by the district, that is not adequate reason for the blame to be put on the member. It is the first time I have been angry at the ministry internally.

I may not agree with some of the policies of the ministry, but that is a policy question. I have never had to raise this kind of issue before, but I am not at all happy about it.

I have two complaints about 144. One is the whole—

**Hon. Mr. Snow:** What the hell do you mean?

**Mr. Laughren:** Well, I am—

**Hon. Mr. Snow:** Do not tell me that.

**Mr. Laughren:** Pardon?

**Hon. Mr. Snow:** What the hell do you mean by those kinds of remarks?

**Mr. Laughren:** I mean exactly what I am saying. I do not appreciate it, when I raise the question—

**Hon. Mr. Snow:** Tough bananas, is all I say to you.

**Mr. Laughren:** Pardon?

**Hon. Mr. Snow:** Tough bananas.

**Mr. Laughren:** Fine. What you are really saying is that it is open season. I have always tried to deal with issues at a policy level. That is what I have always tried to do with the Ministry of Transportation and Communications. I have never—

**Hon. Mr. Snow:** If you are going to make remarks about the maintenance—I mean, if you write a letter to me, it has to be referred to the ministry to get the information. If you are insinuating I sent a memo to my staff saying you are criticizing them, I assure you I did not.

**Mr. Laughren:** No, I did not say you did. That is why I said that I have never before had a complaint against a ministry staff for doing this kind of thing. This is the first time I have ever had to make a complaint like this.

**Mr. Gilbert:** They have to carry out the work, Mr. Laughren. In all my days around here, I have never heard the suggestion that we should not get back to our staff when there is a criticism of what is going on.

**Mr. Laughren:** Perhaps I am not making myself clear.

**Hon. Mr. Snow:** How are we going to correct the situation if we do not go to talk to our staff about the concerns?

**Mr. Laughren:** I am obviously not making myself clear, because we are not communicating here.

**Mr. Chairman:** Try again, Mr. Laughren.

**Mr. Laughren:** When I raise the question of the standard of maintenance on a highway, I do not expect the minister and the ministry to agree with me every time. I am making a case for the people in the part of the province where I live and drive.

What I do not appreciate, when I get feedback from that part of the province, is that ministry people are saying I am accusing them of not doing a good job. That is not true. That is not what I said. I said I disagreed with the minister's standard of centre-bare maintenance on the highway. That is all I am saying, and I do not know why you are—

**Mr. Gilbert:** In the first place, however, we have to find out whether they are maintaining that standard, or if there is something else. How else can you do it other than to go back and talk to them?

**Mr. Laughren:** Of course you have to do that. What I am saying—

**Mr. Stokes:** That is not at issue.

**Mr. Laughren:** That is not an issue here.

**Hon. Mr. Snow:** How do you find out from the staff whether they are maintaining our standards, or what not, if you do not go and tell them—perhaps tell them you are questioning the level of their maintenance?

**Mr. Laughren:** You are still not hearing what I am saying.

**Hon. Mr. Snow:** I am hearing what you are saying, all right.

**Mr. Laughren:** Then I do not know why you do not understand. I was not criticizing the work of the people who maintain the highways in the winter, in that part of the province.

**Hon. Mr. Snow:** We never said you were.

**Mr. Laughren:** That is what is at issue, you see. That is the feedback I am getting from that part of the province, and that is what is unfair about it.

If you and your officials want to disagree with my position on how that road should be maintained, fine. That is your role as minister. I do not like it, however, when the ministry starts to do a job on me by saying I was criticizing the way people do their job. They are doing the best job they can, given the instructions they get from up above. I understand that. I am sure we all understand that.

If the ministry adopts the centre-bare standard, then the person who operates the snowplough has no choice but to follow that order. I understand



that. That is not their fault at all. Perhaps you may be starting to understand what I am saying.

**Hon. Mr. Snow:** I do not appreciate your calling me almost a liar by saying—

**Mr. Laughren:** No, I never said that.

**Hon. Mr. Snow:** —that I went to the staff and told them you were criticizing them.

**Mr. Laughren:** I never even implied you said that.

**Hon. Mr. Snow:** No, but you wrote me the letter—

**Mr. Laughren:** I wrote you the letter—

**Hon. Mr. Snow:** —and then you were saying the staff were told that—

**Mr. Chairman:** Order. Just a second, now. I think I understand what you are saying.

**Mr. Laughren:** Good.

**Mr. Chairman:** I do not know both sides of the story, but I was just wondering—

**Interjection:** Good.

**Mr. Chairman:** We welcome the member.

**Mr. Laughren:** Can we go back to the issue, then?

**Mr. Chairman:** Yes. If you have a specific question, I think that would be the best way to conduct this.

**Mr. Laughren:** That was part of the problem. I said there were two aspects of it. That was one.

The other is the policy on a highway that, as I described it earlier, is narrow and winding, with a lot of snow. To have a centre-bare policy there is wrong. I know the minister would probably say the traffic volume is not high enough to warrant more. That is one of the problems. When you do not have much volume, you do not have the snow—

**Mr. Wildman:** Wearing off.

8:20 p.m.

**Mr. Laughren:** —wearing off, as it were, with increased traffic volume.

That road should not have a centre-bare standard; it should have a full-maintenance standard during the winter because there are a lot of trucks, buses and cars on that road. I think that is a dangerous policy to have for that particular highway.

**Mr. Gilbert:** When you say a “full-maintenance policy,” that, as far as that road is concerned, can be a full-maintenance policy. That is the policy that will maintain its centre bare.

**Mr. Laughren:** Right. That is what I am disagreeing with. I am not playing with words;

we are basically disagreeing. You are saying that centre bare is an adequate maintenance standard for that highway, and I am saying it is not.

**Mr. Gilbert:** All right. We disagree.

**Mr. Laughren:** We disagree.

**Mr. Chairman:** Can you agree on that?

**Mr. Laughren:** I would appreciate knowing the accident rate on that highway. A petition was taken up in Timmins to have that road closed in the winter because of an incident on the road in which someone was killed. I do not believe in that; to close the main route between Sudbury and Timmins would not be the answer.

**Mr. Wildman:** Did the Minister of Natural Resources (Mr. Pope) start that petition?

**Mr. Laughren:** No, he did not start that petition. Nevertheless, it is there and it is circulating, so it is not just my imagination.

I do drive that highway frequently during the winter as well and I think your policy is wrong. If you choose not to change it, then fine. It is your role as minister to make those policy decisions and it is my role to tell you when I think they are wrong.

**Hon. Mr. Snow:** Agreed.

**Mr. Laughren:** There is another point I wanted to make. I do not think this is the minister's fault, but he is the Minister of Transportation and Communications and it has to do with a road.

There are agreements between the different ministries in the north to deal with roads that are not your normal roads. Such a road runs north of Biscotasing towards a community called Ramsey, both of which are south of Chappleau. I had a phone call today saying they were snowed in and could not get out. No one would plough the road.

There is a dispute going on among the Ministry of Northern Affairs, the Ministry of Natural Resources and the Ministry of Transportation and Communications about who is going to maintain that road. No one wants to do it. They want the local people to form a local roads board. The local people say, and I agree with them, that it is a 19-mile road and it is not what I have always viewed as the intent of a local roads board to look after 19 miles of road that connect the community to the other side of the world, as it were.

I agree that if they want to look after roads within that little community at Bisco they should form a local roads board, and I have said that to them. But I do not think it is fair to say they should form a local roads board to look after the



19 miles of road that provide access to that community. I think that is not the spirit of the original intent of a local roads board. Correct me if I am wrong, but I do not think that is correct.

When I go to Sudbury, St. Catharines or even Oakville, these roads are not taken care of by a local roads board; it is a provincial highway, a provincial road. These are obviously unorganized communities; there is no municipality to look after it. I do not think we can just sit back and watch these people be snowbound for the winter.

**Hon. Mr. Snow:** I do not know about the length of the particular road.

**Mr. Laughren:** It is 19 miles.

**Hon. Mr. Snow:** I never heard tell of a local roads board until I took over this ministry nine years ago because, of course, we do not have them other than in the remote areas of the province. I know from discussions, and from looking at and signing plans for many local roads boards, that access roads coming from a provincial highway, a secondary highway, a country road or whatever into a particular community—and I cannot say whether they are 18 miles long—and perhaps the roads within the community are usually the responsibility of a local roads board.

I know the northern roads program comes under the Ministry of Northern Affairs and, as I understand it, in this circumstance the Ministry of Natural Resources is also involved. There have been meetings on this. It is my understanding and the deputy's understanding that until the matter is settled as to who is really going to be responsible for that road, whether there will be a roads board or whether Natural Resources or Northern Affairs is going to contribute to it, we have agreed to maintain the road in the meantime.

We are very surprised to hear the road is snowbound. All we can assume is that after a snowstorm all roads cannot be ploughed at the same time at seven o'clock in the morning. If you had a call this morning saying the road was not ploughed, it is because the plough never got there, as far as we know.

Did you call back tonight to see whether it was ploughed?

**Mr. Laughren:** I called during the supper hour.

I would not be raising the problem if it was as simple as you put it. Perhaps it is; perhaps there is a misunderstanding. However, they told me on the phone today that it was because there was still

a misunderstanding. That is why I am raising it now.

**Mr. Gilbert:** As the minister said, we will look into it, because we had agreed we would maintain it until this thing was resolved. Mr. Stokes has a couple of roads up there too.

**Mr. Laughren:** Okay; thank you.

**Mr. Chairman:** I have five or six names down and we have until about 10:15 p.m. when there are apt to be votes. Perhaps the questions could be structured in such a way that we can get as many people through as possible.

**Mr. Samis:** Can I get the order straight? Do we have two Liberal speakers and then this side?

**Mr. Chairman:** I have them down in this order—Mr. Wrye, Mr. Stokes, Mr. Miller, Mr. Haggerty and Mr. Wildman.

**Mr. Samis:** I assume the critics naturally get first crack unless they designate.

**Mr. Laughren:** No, we have the leadoff, Mr. Chairman.

**Mr. Chairman:** The leadoffs pretty well looked after the critics, but if there are—you and Jack can discuss it.

Interjections.

**Mr. Wildman:** Mr. Chairman, he invited us here.

**Mr. Samis:** I know how these northerners take over.

**Mr. Eakins:** Mr. Chairman, since the gentleman has come with the exhibit, as a courtesy I think we should allow him the opportunity to explain it somewhere in the program tonight.

**Mr. Chairman:** I agree. We can make our questioning on the road program rather structured so we can allow equal time—

**Mr. Samis:** Why do we not designate a set time so the gentleman can address us? Let us ask whether he has an address.

**Mr. Chairman:** Mr. Kell, do you have a verbal presentation or do you just wish to answer questions? We are trying to organize our time for the rest of the evening.

**Hon. Mr. Snow:** What does the committee want?

**Mr. A. S. Kell:** I would be prepared to answer questions or I could—

**Mr. Gilbert:** Perhaps if Mr. Kell wanted to take the time, he could run through and show where each feature is.

**Mr. Laughren:** Okay, but if we do it at the beginning, let us set a time limit.

**Mr. Eakins:** Let us say about half an hour.

**Interjection:** Let us say 10:10 p.m.

**Mr. Chairman:** We are going to have a problem with Mr. Kell. He cannot speak from there because it cannot be picked up by Hansard.

**Mr. Samis:** Why do we not set somewhere between 10 o'clock and 10:10 p.m.?

**Mr. Chairman:** It will be 10 o'clock. Perhaps we should get a portable mike for Mr. Kell because he cannot speak from there. We will go on until that time.

**Mr. Haggerty:** Is that a.m.?

**Mr. Chairman:** I think we will try p.m.

**Mr. Samis:** Will you put me down on your infamous list?

**Mr. Wrye:** Mr. Chairman, I appreciate my colleague letting me lead off so I can get back to the House. I want to go back to where we were about one year ago and find out whether we are still making progress on a couple of issues. I want to keep it short and you can make it very short by telling me everything is going to move ahead.

As you know—it was mentioned in the estimates last year—on the E. C. Row Expressway we have still two interchanges to complete, one at Dominion Boulevard and the other at Huron Church Road.

**8:30 p.m.**

I consider the Dominion Boulevard interchange to be the most crucial because of the high accident rate in the area. I think we are playing with a bit of a loaded gun there, particularly because of the speed at which trucks come off the road at that light. It is really in an arterial area. You indicated in last year's estimates that this interchange was slated for construction in 1985. Are we still on target in the 1985-86 fiscal year?

**Hon. Mr. Snow:** No, we are not. We do not have that in this year's program. It is not in the estimates we are discussing. As of now, it is not in the program for construction in 1985.

**Mr. Wrye:** You indicated last year they were both on the timetable. You had some definite ideas in mind. Can I ask you at this point what timetable we are looking at for these two interchanges?

**Hon. Mr. Snow:** It is not in 1985 or 1986, I know that.

**Mr. Wrye:** Are we talking about 1985-86 and 1986-87?

**Hon. Mr. Snow:** Yes.

**Mr. Wrye:** Can I ask why we have delayed for another two years an area which is clearly in very

real need of being completed? The matter is really one of traffic safety. I do not think there is any denying that. I have spoken with the Windsor police force on this. The problem concerns them deeply.

I am talking particularly now about the Dominion Boulevard exchange where, because of the speeds at which vehicles are coming off the completed portion of the E. C. Row Expressway westbound and the speed at which they are coming down, in effect, an incline when they are travelling eastbound, we have had a large number of accidents. As someone who drives it regularly, I know we have had some situations where potential fatalities have been avoided only by drivers who, I guess, are getting used to the fact that a lot of vehicles run red lights because they simply cannot stop.

One of these days some tourist or someone who does not know the area is not going to know that all too often vehicles cannot stop at that signal and end up travelling through red lights, and we are going to have a fatality. That interchange was fine in the interim, but it is not adequate to leave it year after year and run the kind of risk I think we are running.

I am talking particularly about Dominion Boulevard. The configuration at Huron Church Road is such that there is a slowing-down coming up to that stoplight, but at Dominion Boulevard it is an entirely different situation. I cannot understand why that aspect is not being dealt with, because it is very much a traffic safety problem.

**Hon. Mr. Snow:** Personally, I have not received any representation from anyone on the traffic safety aspect of the thing that I can recall. I know everyone naturally would like to see those two interchanges completed, but with the restraints and the cutbacks in available money, and taking into consideration that over the last two or three years we have put a tremendous amount of money into the Windsor area in the E. C. Row Expressway, I cannot allocate the whole budget of Ontario to your community.

**Mr. Wrye:** I appreciate that in the late 1970s and into the early 1980s there was some accelerated money put into Windsor for the E. C. Row Expressway, and you and I are both well aware that part of that was, in a sense, part of Ontario's contribution to get the new Ford Motor Co. of Canada Ltd. plant. I mean that is what—

**Hon. Mr. Snow:** It had nothing to do with that—a contribution towards the Ford plant. I mean we were—



**Mr. Wrye:** It was part of the deal.

**Hon. Mr. Snow:** —instructed by cabinet to accelerate the E. C. Row Expressway because of the particular economic situation and the new Ford plant coming in, so we had to allocate a major amount of resources over about a three-year period. We cannot keep up that level of spending in that community forever.

**Mr. Wrye:** To be fair, I think you would agree there was, for a variety of reasons—some of which were at the municipal level—a very minuscule, on a year-to-year basis, allocation of resources to completion of the E. C. Row Expressway in about the previous 15 years.

**Hon. Mr. Snow:** It was an ongoing program, and it would not be finished yet if we had left it at the normal rate of expenditure, but we did accelerate those jobs. Of course, when you accelerate those jobs it is at the expense of jobs in other parts of the province, because our budget does not change.

**Mr. Gilbert:** We have done quite a few of them, even more than, as you know, just the work in relationship to the Ford plant. We had to accelerate a lot of work in there. Normally we would have been doing as much as we have with the Highway 404s and places like that, one job at a time. But, as you know, we had to bring a lot of that work on and get it completed to the point where we are now.

As the minister says, a lot of other work had to be put back, because we put all the priority on that.

**Hon. Mr. Snow:** There are all those other major projects we are doing right now. I can name you Highways 403, 406, 404, 410 and other major projects like those which are multiple-contract projects. There may be eight or 10 contracts to do a job. We have been trying to progress with those at maybe one \$5-million contract per year. Each year we get a little bit more and it keeps the jobs moving. When we went all out at Windsor we did four or more of those contracts in one year.

**Mr. Wrye:** I understand that, but Mr. Gilbert referred to it being more than Ford and it was. It was also the Pillette Road truck plant of Chrysler Canada.

**Hon. Mr. Snow:** There were the United Co-operatives of Ontario elevators.

**Mr. Wrye:** That is right. The UCO is on the west side of the city.

**Hon. Mr. Snow:** I am well aware of that. At least I brought the road out there. We built two main interim sections out there because the

mayor of Windsor, the UCO, different people and other industries wanted that road completed as a two-lane section out through Highway 18 or whatever it is.

**Mr. Wrye:** It allowed industrial development and began to—

**Hon. Mr. Snow:** It allowed a through road. We have plans in the future to four-lane that, complete it and so on, but it does not qualify for that now. There is not the traffic there.

**Mr. Wrye:** I appreciate that, but let me just pursue this, because this is exactly the problem.

Two of the major reasons we accelerated the E. C. Row development were the Ford project—because Ford needed that link—and the newly opened Pillette Road van plant. The traffic flow now is from those plants to Huron Line and then northerly on Huron Line to the bridge, because it is a Windsor-Detroit flow or in effect, perhaps, even a flow to and from the American Midwest.

That is exactly the point I am getting at. The problem we now have with Dominion Boulevard is that you have that high volume of heavy truck traffic and you—

**Hon. Mr. Snow:** I will certainly look at it. We could argue this all night. We will certainly look at the traffic volumes and I will look at the actual statistics.

**Mr. Wrye:** I would appreciate that.

**Hon. Mr. Snow:** I will get a report on both of those, and see whether your concerns are valid. I am not doubting your sincerity, do not get me wrong. I want to see the figures and the accident statistics.

**Mr. Wrye:** I would appreciate if you would review it.

**Hon. Mr. Snow:** Certainly, those two things have a major input into setting our priorities for jobs.

**Mr. Wrye:** I do know, Minister, that the director—

**Hon. Mr. Snow:** That still means I cannot build jobs without money.

**Mr. Wrye:** I understand that. I think I am raising a valid safety concern. I know the residents of the area have raised this matter with me time and again. As you know, I raised this last year and it really is a very serious concern.

**Hon. Mr. Snow:** The city of Windsor wants to do very major work on Huron Church Road or whatever it is.

**Mr. Wrye:** Yes, that is my next question.

**Hon. Mr. Snow:** That is a connecting-link project.



**Mr. Wrye:** Yes, I know it is.

**Hon. Mr. Snow:** That is in the municipal roads budget. It is not in the provincial highways budget, but it is all dollars out of our budget. They want to spend, if I am right, \$22 million or something like that amount of money on Huron Church Road. Our total budget for connecting links for the whole province is something like \$16 million or \$18 million. I am not sure just what it is right now.

**8:40 p.m.**

**Mr. Eakins:** I just wanted to ask a supplementary. I do not know the location but my colleague has talked about highway safety and I believe a reference to running a light or the possibility of accidents. Have you ever given consideration, or are there any locations where you have an advanced amber light—

**Mr. Chairman:** I think we are off the roads budget with that question.

**Mr. Eakins:** No. We are talking about highways.

**Mr. Chairman:** We are not talking about highway safety. What does that fall under? I am not sure.

**Mr. Eakins:** My colleague was talking about highway safety.

**Mr. Chairman:** Yes, but he was really talking about the roads.

**Mr. Eakins:** Making the roads safer; is that not what you are talking about?

**Mr. Chairman:** With respect, you are probably getting into the other area of safety. He was dealing more with the roads program. We should try to stick with both municipal and provincial roads programs at this point.

**Mr. Eakins:** So you are not talking about highway safety?

**Mr. Wrye:** It is part of the development of the roads.

**Mr. Chairman:** With respect, though, we are straying. A number of members have come in tonight to talk specifically about roads.

**Hon. Mr. Snow:** Highway safety is part of the roads program, but when you get to talking about the specific design of stop lights—

**Mr. Wildman:** How you build roads determines whether they are safe.

**Mr. Eakins:** I guess it is not part of it. We are only talking about pavement tonight; so carry on.

**Mr. Wrye:** I will try to be brief, because I know there are a lot of members who want to ask questions.

One other area is the Huron Church Road; it is, as you say, part of the connecting-link funding, which in your budget last year you mentioned as being in that range. The overall project is a very substantial one, for four or five miles, or five, six or seven kilometres, whatever it is.

**Hon. Mr. Snow:** I toured the piece of road one of the times I was down there with the mayor. There are worse roads in Ontario, and there are probably better ones. With the volume of traffic and what not on that road leading to the international border, I do not doubt that it will qualify for upgrading when we can arrange for money to be available.

**Mr. Wrye:** Have you had any discussions, or would it be reasonable for you to sit down with the city and begin to look at it?

The whole connecting link is really divided into two sections: the section between Tecumseh Road and the E. C. Row Expressway, which is the shorter section, and the one from E. C. Row to Cabana Road, which is somewhat lighter from a volume point of view because of the flow from E. C. Row and a lot of extra trucks.

The other section, out towards Highway 401, is in much better shape; the road is somewhat wider, and the grading is somewhat better.

Have you had a chance to sit down with the city and discuss beginning to stage this project? I agree with you, Minister; it is very clear the project is too large to handle in a short period of time. Surely, however, we should begin to handle it even bit by bit. It is probably one of the two or three major links between Canada and the United States, and that one section is in awful shape.

**Hon. Mr. Snow:** I have not tried to sit down with the city to discuss a staging plan. I did mention to them that there is no way the project could be attacked at one time. We get many requests from municipalities—I do not know how many hundred connecting-link agreements we have in the province, but there are hundreds—and I know we have only \$16 million for 1984-85.

**Mr. Wrye:** You are in for three quarters of any money that is spent.

**Hon. Mr. Snow:** It all depends. We pay 75 per cent for connecting links in cities. In towns, it is usually 90 per cent. In municipalities of less than 2,500 people, or whatever it is, where we have a highway going through a small village, it may be under a connecting-link agreement but there is 100 per cent payment. If we pave the main street of a small community of a couple of thousand people, we pay 100 per cent of the cost.

**Mr. Gilbert:** I believe the city has a more-or-less functional plan, and I think the region has had some discussions. However, as the minister says, as for getting down to talking about staging and what have you, there is such a commitment to make to it that this is about as far as it has gone.

**Hon. Mr. Snow:** We keep hoping that if the economy improves we will start to get some increases in money for municipal roads. You can imagine what trying to tackle a project such as that and putting any significant amount of money into it does to all the small, \$100,000, \$300,000 or \$500,000 jobs in other smaller communities all over the province.

Still, we are prepared. We have done it with many other municipalities. I recall the village of Wyoming. I was down there a month ago to open its connecting link. That is a small town in Lambton county. They came in with a plan. They wanted to do their connecting link to the main street through town all at one time.

I said, "My God, we just cannot fund that." So we split it into two contracts and then had each of the two contracts spread over two years. They were called late in one year so that part of the work, maybe the underground work or something, would be done in the fall and the road work would be done in the spring. We spread each of the two contracts over two years.

They got their mile or two of connecting link done, but it was spread over four years. They were not particularly happy. They wanted it all done in one year and all the mess over at once. But it is all finished now. I was down there a month ago for the official opening, and they are happy now that it is all finished and looks beautiful.

If we start out funding Windsor at \$500,000 a year on a \$25-million project, we are going to be a long while getting it finished. When we do start it, I would like to be able to give a higher level of resources to it.

**Mr. Wrye:** I agree, but the fact is the longer this goes on, the longer we have something that is not exactly a tribute to the province for the thousands of tourists who use it every day. Frankly, the further we go, the more years that nothing gets done—

**Hon. Mr. Snow:** When tourists get into Ontario they are driving on roads so much better than they have in the United States they do not really notice it too much.

**Mr. Wrye:** They do not get much of a pleasant surprise as they come up there. But I will pass those comments on to the city and perhaps we can

sit down and begin to try to work out some kind of plan to get to at least the first stage.

**Hon. Mr. Snow:** We will have to do some kind of plan over a period of years. We are prepared to sit down and try to work out a long-range plan, as we do with every municipality. We have done it dozens of times.

**Mr. Wrye:** I hope we can do it.

**Hon. Mr. Snow:** I have never had one of this size. This is the largest connecting link job I have ever had put before me.

**Mr. Wrye:** Sure it is. It may be one of the highest traffic volumes you have had in recent times too.

**Hon. Mr. Snow:** It could be.

**Mr. Stokes:** Mr. Chairman, I do not want to talk about the secondary roads such as highways 400, 401, 403, 405 or 406.

**Mr. Wiseman:** What about amethysts? The roads in northern Ontario are paved with amethysts.

**Mr. Stokes:** I am pleased to say we are sitting in the Amethyst Room, another resource from northern Ontario, and we are happy to share it with you.

**Mr. Wildman:** Where are my rubber boots?

**Mr. Stokes:** He made me do it.

**Mr. Wildman:** "The devil made me do it."

**Mr. Stokes:** I want to talk about the Queen's highway. Most members down here do not even know what it is numbered, but it is Highway 17.

**Mr. Lane:** I know about that.

**Mr. Stokes:** Mr. Lane knows that, even though he has to travel to Sudbury to get to it.

I know your regional people are aware of the need and I know you have financial constraints, but I want to find out whether you have done the pre-engineering on that section of Highway 17 we refer to as Cavers Hill. It is probably the highest point of land.

**Hon. Mr. Snow:** Can you give a little better direction on it?

8:50 p.m.

**Mr. Stokes:** It is between Nipigon and Schreiber. It is about 25 miles west of Schreiber. It is particularly difficult for trucks in the winter because of the heavy grade. Quite a few of them avoid it when it is very slippery because of the heavy hills and take Highway 11. But it is in terrible shape. Mr. Neil Horowitz knows about it. I wanted him to do some temporary maintenance on it while he was doing that section you



have just completed from Red Rock west to Hurkett. He was not able to swing it.

Your surveyors have been out on it. It is one of the oldest pieces of pavement in the north. Capillary action has taken its toll. I know it is in the books. I just would like to find out when we can expect that. The other one is immediately east—

**Hon. Mr. Snow:** Can we deal with that one?

**Mr. Stokes:** Okay, fine.

**Hon. Mr. Snow:** We have a project scheduled for Highway 17 from 45 kilometres east of Nipigon easterly for 15.3 kilometres.

**Mr. Stokes:** Yes, that is it.

**Hon. Mr. Snow:** There are a number of other things along with that resurfacing.

**Mr. Stokes:** Any passing lane?

**Hon. Mr. Snow:** Dock Street in the village of Rossport.

**Mr. Stokes:** Yes, that is it.

**Hon. Mr. Snow:** Realignment of Dublin Creek; a passing lane at 48 kilometres east of Nipigon going westerly; a truck climbing lane 51.2 kilometres east of Nipigon going easterly; some additional hot mix patching at several locations 12 kilometres east of Nipigon, which is in the same contract; intersection improvements at Bear Quarry Road, which is 21 kilometres east of Nipigon; and some structure rehabilitation to the Gravel River bridge, 47 kilometres east of Nipigon. All of that will be called as one contract on March 6, 1985.

**Mr. Stokes:** I had another location east of Nipigon, but I understand you have included that. That is great. The other one is just east of Hemlo, on Highway 17.

**Hon. Mr. Snow:** Just a minute; that is in Sault Ste. Marie.

**Mr. Stokes:** Yes, it is. They are divided—

**Hon. Mr. Snow:** Go ahead; I will find it.

**Mr. Stokes:** All right. I have noticed if you are driving in the rain along there you have to be very careful.

**Hon. Mr. Snow:** You turn on your windshield wipers and lights now. That is what we were suggesting last night.

**Mr. Stokes:** That is not the problem. For you fellows who fly over the highways, as opposed to we mere mortals—

**Hon. Mr. Snow:** I have driven that highway.

**Mr. Stokes:** Okay; if you drive on it in the rain you will notice the pavement is so old there are ruts, just two puddles on each side. If you do not

get down to about 30 miles an hour that will throw you. A lot of people are not used to it; they do not reduce speed and it will throw you right off the highway.

Your predecessors told me one of the reasons they stopped studded tires was they were wearing ruts in the road. That piece has been there so long I suspect studded tires contributed. It is dangerous.

As I say, we who drive the road on a regular basis can sort of adjust to it, but there are a lot of people who do not know about that. They come along and hit ruts that are filled with water, and some of them are two or three miles long. As I say, it can really throw you. It is being used. It is a little section. I know your regional people are aware of it. I was wondering if it had been brought to your attention.

There is a lot more traffic on that section now because it is just about two miles east of Struthers. That is where the big gold development is on Highway 17.

**Hon. Mr. Snow:** You are talking about west of White River. Highway 614 goes up to Manitouwadge.

**Mr. Stokes:** It is the stretch immediately east of the junction of Highways 17 and 614.

**Hon. Mr. Snow:** We have a project on Highway 614.

**Mr. Stokes:** Yes. You were going to do that in one stage when—

**Hon. Mr. Snow:** Just a minute. We have a project for 12 kilometres of Highway 614 and 3.7 kilometres of Highway 627. Then on Highway 17 we have a truck climbing lane 8.7 kilometres west of Highway 614. We have deck repairs on the Black River bridge and the Pic River bridge. We have Highway 626 from Highway 17 south to Panlake Road in Marathon. We have the local road in Pukaskwa National Park and Highway 17 from Highway 614 west at various locations.

**Mr. Stokes:** It sounds as though you have it then, but I do not think you have that part east of Nipigon.

**Hon. Mr. Snow:** No. Anyway, the job I have just been explaining to you—Highways 614, 627, 626—none of which are secondary highways, 400s or anything, plus a bunch of truck climbing lanes, miscellaneous improvements and bridge improvements on Highway 17—is scheduled to go to tender on June 19, 1985.

**Mr. Stokes:** Great.

**Hon. Mr. Snow:** Then in the 1986 program we have Highway 17 from 60.7 kilometres east of Highway 631 east for 15.5 kilometres.



**Mr. Stokes:** That is White River and Wawa.

**Hon. Mr. Snow:** There is the Tedder River bridge on Highway 631. Then we have east-bound passing lanes, the westbound truck climbing lanes and the Catfish Creek bridge.

**Mr. Stokes:** That is in the riding of Algoma; it is not in the riding of Lake Nipigon.

**Hon. Mr. Snow:** That is on Highway 17 in that general area.

**Mr. Stokes:** Okay; we are glad to hear that.

**Mr. Wildman:** Considering the development at Hemlo, it is a good thing.

**Hon. Mr. Snow:** That is scheduled for 1986. That seems to be it.

**Mr. Stokes:** Can I have some clarification on Highway 614? You indicated you are going to call for 12 kilometres on June 19, 1985. We have had quite a bit of correspondence about that, along with the people in Manitouwadge and Noranda Mines. At one point you were going to do it all at once; then when you got to looking at it, it was too big a chunk to do all at one time. Are you going to do that in two years or in three years? It is 34 miles.

**Hon. Mr. Snow:** The part we are doing is 12 kilometres in 1985. I do not seem to have anything here—

**Mr. Stokes:** You have indicated to me by letter it was too big a thing to do in one year and that you were going to do it over two or three years.

**Hon. Mr. Snow:** The contract I am talking to you about is a \$2-million contract, but we have nothing scheduled for Highway 614 in 1986; and beyond that I do not have anything, of course.

We just established the northern Ontario program for 1985 and 1986 this morning, as a matter of fact. As you know, the capital moneys for those job priorities are in the budget of the Minister of Northern Affairs (Mr. Bernier).

**Mr. Stokes:** Right.

**Hon. Mr. Snow:** We have our program for 1985 established pretty solidly, and the 1986 tentative program has been established.

**Mr. Gilbert:** That is the worst part of that.

**Hon. Mr. Snow:** I understand this is the worst part, from Highway 17 up to the Black River.

**Mr. Stokes:** That is right; there is no question.

**Hon. Mr. Snow:** That is the part down by Highway 17; it may be that the northern part is not as bad.

9 p.m.

**Mr. Stokes:** It was like a dog's breakfast. There was an old turkey trail and they just followed it and paved it. I wrote you a letter about a month ago.

**Hon. Mr. Snow:** You write me one every day.

**Mr. Stokes:** Those are little notes. I wrote to you and forwarded letters from people who had concerns.

**Hon. Mr. Snow:** I hope the Tory member who takes over from you writes me as often as you do.

**Mr. Stokes:** He will not have a thing to do. I am going to leave it in good shape for whoever takes over.

I wrote you a letter about signing and gave you the specific instance of Highway 17 at Hurkett. You have done a beautiful job on that stretch of highway from Hurkett to Red Rock. It is great; there are a couple of passing lanes and you even did the access road into Hurkett, but you left the Hurkett sign about five miles off the highway.

Once you get in there you say, "Oh, we are in Hurkett;" but if you are driving fast looking for Hurkett, God help you. There is a little fingerboard sign that is off to the side, but you are distracted by other roads that go off there. I do not know what it would cost. I will pay for it myself if you will let me put it up.

**Hon. Mr. Snow:** Mark that down.

**Mr. Stokes:** I will not even put my name on it. There is a little fingerboard sign about this wide and this long. There is a lot of activity around Hurkett. We now have a greenhouse for growing trees; you guys can eat your hearts out. We have a lot of activity north of the highway but the great big sign is down near Lake Superior about five miles off the main highway. We need it right on the highway so people can say, "Oh, we are coming to Hurkett; we can turn off here."

**Hon. Mr. Snow:** That is a common complaint. I get them about fingerboard signs all over the province.

**Mr. Stokes:** Why do you not change it?

**Hon. Mr. Snow:** We are reviewing it, but we have a problem. We have standards depending on the size of the municipality and the type of road.

**Mr. Stokes:** We do not have a proliferation of signs up there. I can show you stretches of the Queen's highway where there is not a sign for 40 miles, so that is not the problem. The problem is you are probably applying criteria from the southern part of the province that do not apply in the north.

I gave you a complaint from somebody who works for the Ontario Provincial Police saying there are a lot of people going past the junction of Highway 17 and Highway 614 because it is not properly signed when they want to find Manitouwadge. I explained it all in my letter.

Another is Highway 11 between Geraldton and Nipigon. There is not one sign indicating how to reach Lake Nipigon.

**Hon. Mr. Snow:** This is recent correspondence. I think I have replied to you.

**Mr. Stokes:** I do not have it yet. Lake Nipigon is 3,000 square miles of water.

**Hon. Mr. Snow:** That is pretty hard to miss.

**Mr. Stokes:** But you cannot see it.

**Hon. Mr. Snow:** That is not our fault.

**Mr. Stokes:** Who should be doing it?

**Hon. Mr. Snow:** Back on Highway 11—

**Mr. Stokes:** Do you mean they built the highway in the wrong place?

**Hon. Mr. Snow:** Not in those days; that highway was built a long time ago. We just built that Manitouwadge road, whatever it is, from further west.

**Mr. Stokes:** From Fort Frances to Dryden.

**Hon. Mr. Snow:** It goes through beautiful country. There are all kinds of lakes in the area, but under the rules we have to go by, from the Ministry of the Environment, the Ministry of Natural Resources and so on, we had to build the damned highway in a location where you cannot see a lake. There is only one place where you can see one; and that is in 100 miles of highway. I have driven it a couple of times, once while it was under construction and once when we opened it.

Perhaps I have a warped mind, but to my way of thinking a road should be as scenic as it can be. You have to take into consideration costs, terrain and those kinds of things. There is one place, halfway up that road, where you cut through the narrows between two lakes, at which point you can see water, but other than that you cannot see a square inch of water. Yet if you look at the map there are lakes both sides of that road all the way up there; however, we are a mile or two away from the lake all the time.

**Mr. Stokes:** I am not telling you to redesign the highway; I am not telling you to change a thing on it. Do you not remember that is the stretch of road where we used to have 49 miles of bumps from Beardmore to Geraldton? You actually had it designed that way. I took a picture of it and brought it down to you. Thanks to you

and others in the ministry, it is fixed. It is a good highway.

All I am asking is that you put a sign up and I will even pay for it.

**Mr. Eakins:** Keep talking, Jack.

**Mr. Stokes:** I will even give you the number of the highway leading off Highway 11.

**Hon. Mr. Snow:** We are going to have all your severance pay used up pretty soon.

**Mr. Stokes:** So be it. I will put it up myself, but let us put it up so Mr. Kesack will not tear it down.

**Mr. Eakins:** The same with the Bobcaygeon one.

**Hon. Mr. Snow:** Somebody wants to pay for the Bobcaygeon sign here.

**Mr. Stokes:** As I say, we have 3,000 square miles of water in Lake Nipigon, we have 1,000 islands, we have about 1,000 streams running in and out of it, and nobody knows where Lake Nipigon is. That is ridiculous. I told you where you could put the sign, and now I will even put it up myself if necessary. Surely we can devise a signing plan that will work.

**Hon. Mr. Snow:** I forgot the details of the letter I sent you. I think there is a tourist lodge or something on one road, and a park or something on another one going in there.

**Mr. Stokes:** There is Lake Nipigon Provincial Park that your colleague is now trying to privatize. He called people saying, "We do not want to operate this park any more; is there anybody in the area who wants to operate it?" That is a side issue.

The fact remains there is no notification to the travelling public along Highway 11, which is also the Queen's highway, indicating that beautiful resource we have there, Lake Nipigon.

You do not even have to bother with it; just tell your people in Thunder Bay to get on the bit and put up some signs indicating to the public we have something worth while.

**Hon. Mr. Snow:** We are doing a complete review on all this type of signing now because, as I said the other day when we were discussing it, one of the things I get more complaints and requests about than almost anything else in the ministry is signs. People say either, "We have too many," or, "We do not have enough."

**Mr. Stokes:** We do not have enough.

**Hon. Mr. Snow:** I know that.

**Mr. Eakins:** In the right spots.

**Mr. G. I. Miller:** Mr. Chairman, speaking of signs, I might just follow up on that a little. I do



not think there is anything that is more reliable when you are trying to find something and you see a sign, even if it is just a small one, to give you a little direction. Nothing has come home to me more clearly since I have been a member of the Legislature. When you do not have signs, you grope around and have to ask lots of questions.

It is an area to which we should pay a little more attention. I do not say big signs, but small signs to designate communities. We had problems some time ago at Highway 3 and Highway 59 at Courtland for directions to Langton, and even about church signs within municipalities.

I know the minister wrote back and indicated that is not possible, but, again, I think if you want to support a small community with a little co-operation, a small sign reflecting the wishes of the people of that community certainly does not hurt.

**9:10 p.m.**

The real presentation I would like to make tonight is about the development of a road system between Fort Erie and Highway 402 at London. I met with the Dunnville Chamber of Commerce a few weeks back. Dunnville is a very beautiful little town and it has been a progressive community over the years, but it is in an area where it is sort of isolated by the lack of a good transportation system to the activity areas of Ontario.

The chamber had a map, which I will give you.

**Hon. Mr. Snow:** I have that map. I met with the chamber of commerce 10 days or two weeks ago. I spent an hour or so with them, discussing the proposal they had, and they left me their map.

**Mr. G. I. Miller:** I appreciate that. I was not exactly aware of it, but I did hear in a roundabout way that there had been a meeting. I just wanted to put it on the record tonight.

My colleague the member for Erie (Mr. Haggerty) has been concerned about the extension of a direct route from Fort Erie to Highway 402, which is just outside London. It would connect Highway 401 and Fort Erie, and include Highway 406, I believe, which now connects along the Welland Canal and could complete the circuit.

Dunnville is close to the mouth of the Grand River. Port Maitland, which is at the mouth, could be developed into an excellent port facility. I would not want to see it developed like the Queen Elizabeth Way, when Mitchell Hepburn brought it in back in 1936 or 1937.

**Hon. Mr. Snow:** You can remember Mitch, can you?

**Mr. G. I. Miller:** As a matter of fact, the first time I had an opportunity of going down the QEW was about 1938. I think it was open as far as Bronte. We were in a brand-new 1938 Ford and we were doing a little shopping in Toronto. We had to cut over to Highway 2 to get to Eaton's in Toronto, which I think is where we were going. That was quite a trip, I might add, for a little country boy.

As I recall it, there was excellent farm land. If you look at it today, you cannot recognize the farm land. All you see is the pavement. It was a beautiful road, and now it is all pavement.

**Hon. Mr. Snow:** That has to be given an A. "It was a beautiful road, and now it is all pavement."

**Mr. G. I. Miller:** That is right, it was. I do not know if you can recall that. Do you recall the trees planted on the median strip?

**Hon. Mr. Snow:** Do you want us to make it a gravel road again?

**Mr. G. I. Miller:** No, I am not saying that, but I am also not saying that we should be permitting all the agriculture to disappear, which is exactly the question I want to see resolved. I would not want this to happen anywhere throughout Ontario, that we pave the whole damned thing over and forget about the farm land. Really, that is the crunch we are running into right now: both the farm land, and the overall economy, are in trouble.

I want to get back to what I really wanted to make a presentation on tonight, and that is the development of Highway 3. I believe the plans to develop Highway 3 in a direct route were formed going back perhaps 15 or 20 years ago, but they got waylaid for various reasons.

I would point out to you that between Port Maitland and Caledonia there is no modern bridge across the Grand River owned by the Ministry of Transportation and Communications, and that is for about 35 miles.

**Hon. Mr. Snow:** I do not know what you mean by a "modern bridge."

**Mr. G. I. Miller:** There is no MTC bridge. There is one at Cayuga. The bridge at Dunnville is a county or regional bridge; it is owned by the county. The one at York is a regional bridge, and that is on the way up the Grand River.

**Hon. Mr. Snow:** I remind you that we contribute substantially to those bridges, too.

**Mr. G. I. Miller:** Okay. I just want to make the statement there is no MTC bridge between Port Maitland and the new bridge at Caledonia,



which has been completed. Again, we will talk about that a little later.

We have Dunnville, where there is good potential for development if we had connecting links with the other major industrial areas. As you move farther west into Nanticoke, there is a major development that was put in by Stelco Inc., Texaco Canada Inc. and Ontario Hydro. The investment that Stelco has made is something over \$1 billion.

We have had meetings with them, and I believe you have too, indicating that the industrial park is not moving along as rapidly as they would like. The reason, and some concerns have been expressed to me and to you, is that the highway linkage is not adequate and not attractive to the trucking industry and companies wanting to relocate. If we really wanted to stimulate the local economy and provide jobs for the future, Nanticoke and that part of Ontario has great potential.

Another thing that may have a bearing on it is the new town site of Townsend, which the government has put a lot of money into and is not moving along very quickly. There certainly should be plans. It is not going to happen overnight; I recognize that. Money may not be available tomorrow, but the plans have to be laid so that area can develop.

If it is carried on through as they show on their map, as a straight line, I am not so sure—that would have to be decided in the planning aspect of it—how you would get to Highway 402. It might be useful to get in closer to Port Rowan. Again, it is an area that has a lot of tourist potential, good agricultural land and it would connect at St. Thomas or around that area.

The chamber has made a good point and I hope the minister would give it some serious consideration in planning so that part of Ontario might develop its potential, given the amount of money that has already been invested.

I do not know if you would care to comment on that at this point with regard to the ministry's plans.

**Hon. Mr. Snow:** First, I met with the Dunnville Chamber of Commerce in my office a couple of weeks ago and, as a matter of fact, have just written back to them. They presented me with their ideas. They had this map with a line drawn, roughly a straight line, from Highway 401 west of London, about where Highway 402 joins Highway 401, across to Fort Erie.

I did not scale it off to see exactly how many miles that route is, but it is a substantial distance. Of course, they have the idea of extending

Highway 402 right through to Fort Erie, or to the Queen Elizabeth Way near Fort Erie.

That would be a tremendously large undertaking. It would cost several hundred million dollars, not to mention, as you have already mentioned, the disruption to farm land and so on. You would have to try to pick a route, as we always do in a new alignment such as that, crossing as little good farm land as possible. You cannot go through that area, I am sure. I do not know the area as well as the member does, but I know it a bit.

I had to tell the chamber that I could not. It was not that I disagreed with its proposal. We did have an alignment designated through there a number of years ago for an upgraded highway. I do not know whether it was that distance but it went through part of that area.

**Mr. G. I. Miller:** How many years ago was it?

**Mr. Haggerty:** It was 1967 or 1968.

9:20 p.m.

**Hon. Mr. Snow:** Yes, it was about that time. We looked at the designation, as I recall, because we realized we were so far away from ever being able to build the highway and the need was not there for it. The traffic volume on Highway 3 through that area is about 2,500 or 3,000 cars per day. Certainly, 2,500 or 3,000 cars per day do not qualify for a freeway.

I am not saying there would not be more traffic if the freeway were through there. It would probably siphon some traffic off highways 401 and 403, but the traffic being handled there today, travelling that route, is about 2,500 or 3,000 vehicles. We do not figure a two-lane highway is at capacity until it has something in the neighbourhood of 10,000 cars per day. That is when we start thinking of four-laning.

I had to outline to the people the uncompleted heavy-volume corridors we have at present on our 20-year master plan, such as completing Highway 406 in the St. Catharines-Welland area, 403 from Brantford to Woodstock, 403 from Brantford to Ancaster, and 403 from Burlington through to the existing part of 403 at Mississauga.

We have Highway 410 up through Brampton, where there are tens of thousands of cars per day. We have 404 in the region of York, which we are building gradually but which is perhaps 10 years behind schedule now. We are working on Highway 35/115 to Peterborough, which we hope to complete by 1990. We have major Highway 8 jobs in the Kitchener-Waterloo area. Your colleague was in here about finishing the E. C. Row Expressway in Windsor.

We have Highway 416 in the Ottawa area, a road leading from 401 to the nation's capital, which the people of Ottawa are very anxious to have completed. They would like to see that completed to freeway standards.

I would also mention the continuation of the work we are doing on Highway 11 in the Gravenhurst-Muskoka area, and also on Highway 69; and the continuation of Highway 400 up through the Waubaushene area. I do not know what the traffic is on Highway 69 in that area, but it is probably 10 times what we are talking about here.

We have all these in our long-range plans. Most of them are in the green book you were given earlier in the year. We have more on that list, not to mention 407. Highway 407 north of Metro Toronto is needed now; it was needed years ago. I have the region of York coming in next week for a meeting with me about 407. Tremendous development has taken place up there and they cannot handle the traffic.

Highway 407 is a major undertaking. We had it on our schedule. We had hoped to start the first contracts this year. We have some of the contracts designed and ready to go to tender. But with the level of funding, why should we start 407 when we have these other pieces of 404, 410, 427 and so on not completed? We have to hold off on 407 until we get these others completed.

For me to have been encouraging to the Dunnville Chamber of Commerce and said, "Yes, we will do a study on Highway 402; we will consider designating it and planning it," I would not have been honest. Even if major increases in funding become available to this ministry, I cannot see any way we would get to that project for 25 or 30 years.

We do not designate land. The Ministry of the Environment will no longer allow us to designate land that far ahead of construction. We used to designate land back in the 1950s and 1960s. The land for Highway 404, which we are building now in Mr. Hodgson's riding, was purchased in 1960, 1961 and 1962. We actually purchased the right of way and now we are building on it in 1984.

So that is the schedule at this moment.

As far as I am concerned, a higher priority down in your area—and you may disagree with me, I do not know; maybe you will not—would be to get the new Highway 6, or whatever we are going to call it if it ever gets to a freeway standard, coming down and hooking into 403 in the area of Ancaster, by the Hamilton airport,

tying into the Caledonia bypass where you were with me the day we opened it.

That was built as the first two lanes of a four-lane freeway. This new highway would tie into that. Then it would swing around and continue to the Nanticoke Highway 3 corridor. Many people would like to see that advanced, too. We are doing more studies now to try to get the designation on the right of way between the Caledonia bypass and Highway 403.

That is just an idea of some of the demands we have ahead of us. It is not realistic for me to take a lot of money and resources to try to do planning on another major route such as your friends—I do not know whether they were your friends—your constituents told me they would like us to do.

Every dollar we put into planning or designating or whatever you want to call it, is one we do not have to lay asphalt. We have one pot of money for provincial roads. If we are buying right of way 20 years ahead of our needs, that is money we do not have to build roads.

It just was not realistic to me. Some day, perhaps not in your lifetime or mine, a highway may very well be built across the corridor they are proposing, but it is not realistic to start planning it now.

**Mr. G. I. Miller:** Do not give up. I am not going to give up that easily. You made a good point when you said you bought the land and made the plans in 1962.

**Hon. Mr. Snow:** We had better politics in those days.

**Mr. G. I. Miller:** I realize that in a major development such as this—you indicated they are friends. I think they are.

**Hon. Mr. Snow:** That may be. They certainly did not indicate they were not.

**Mr. G. I. Miller:** Just because there was a federal member along with them—

**Hon. Mr. Snow:** There was no federal member with them.

**Mr. G. I. Miller:** Was there not? I think we want to work together because there might even be some federal money made available.

**Hon. Mr. Snow:** If he was with them he certainly did not make it known he was a federal member and no one introduced him as such.

**Mr. G. I. Miller:** He was at the meeting we attended and I am sure he has good contacts here in Toronto, too. Anyway, I still consider him my friend because we both do the same thing: represent a fine area of Ontario.

I would just like to make another point. Heavy trucks coming out of Stelco, Texaco and the



Hydro plant are using regional roads, regional road 3 and regional road 17, which as you are aware also have the heaviest toll of life for a short stretch of highway of perhaps any road in Ontario. There have been six fatalities this year, including a young family of three.

**Hon. Mr. Snow:** I am well aware of that. You know, I am sure, the reasons for that accident.

**Mr. G. I. Miller:** Yes. I drive that road a lot. It is safe and even the family admitted that. The point I would like to make is that it is a regional road, regional road 17—

**Hon. Mr. Snow:** With all due respect, regional roads or municipal roads, as far as that is concerned, are not built to be ornaments. They are built to carry traffic.

**Mr. G. I. Miller:** That is not the point I want to make.

**Hon. Mr. Snow:** I get this argument sometimes from people: "The traffic is going on our regional road. We do not want it there." We have put a great deal of money into them and most of the regional roads today are built to the same standard as our provincial highways.

**Mr. G. I. Miller:** Both roads are upgraded. I am not complaining about their condition or the fact they are regional roads.

**Hon. Mr. Snow:** Please do not complain about the trucks driving on them.

**Mr. G. I. Miller:** I am just indicating what has happened on that regional road in this past year. It was a disaster to that one family.

**Hon. Mr. Snow:** There is no doubt about that. 9:30 p.m.

**Mr. G. I. Miller:** Three young people went, just like that. It is one more point that a direct route is needed.

The other question is, have you used any fly ash for road construction?

**Hon. Mr. Snow:** I had some correspondence on that the other day. We have apparently used some fly ash in fills and in embankment work. But as far as using it as the base for road construction is concerned, the information I had from the experts was that if you mix it with limestone or gravel, for instance, you get a very hard, compacted base that is not granular any more. It does not drain and does not act as we expect a granular base, such as gravel or crushed limestone, to act.

**Mr. G. I. Miller:** The reason I am asking this is that we have the Nanticoke generating station there.

**Hon. Mr. Snow:** I know. You have a product there.

**Mr. G. I. Miller:** It is building up and they are having a problem moving it back. This was probably a supplementary source at best, because we do actually have lots of quarries.

**Hon. Mr. Snow:** The information I have is that it is not good material for a base, although it can be used if it is needed for fills and things of that type.

**Mr. G. I. Miller:** I would also like to pay a compliment to the Ministry of Transportation and Communications, because we do have the Caledonia bypass completed. We have the old bridge at Caledonia reconstructed and in A-1 shape. We have a new bridge at Sandusk Creek. The original was built in 1928 or 1929 and it was replaced this year. That has been a major improvement.

**Hon. Mr. Snow:** That was a good year, 1929.

**Mr. G. I. Miller:** We did have some work done on Highway 59, where they recycled the top and put it back down again, but in order to link Stelco and the industrial park in Townsend, Highway 6 does play a big role. We do have a big investment in the Caledonia bypass of \$8 million to \$9 million.

**Hon. Mr. Snow:** I do not have the figure; I am sure it is at least that much. There are a lot of structures there; the bridge across the river and the two railway overpasses.

**Mr. G. I. Miller:** I know the trucking industry would like to see it hooked into Highway 403, possibly at Fiddler's Green Road. Is that the area you are going to hook into?

**Hon. Mr. Snow:** That is the temporary connection, if we ever get it built. The plan is to put that interchange in at Fiddler's Green. It is on our program to be called in February, I think, or very soon; although some ratepayers are still saying they are going to take us to court and try to stop it. It is supported fully by the town of Ancaster and by the region of Hamilton-Wentworth.

That is going to give access to Fiddler's Green Road, to the airport and so on. That is temporary, the main access will be farther east than that, between Fiddler's Green and Mohawk Road.

**Mr. G. I. Miller:** Between Fiddler's Green and Southcote Road?

**Hon. Mr. Snow:** Between Fiddler's Green and Mohawk. There is a golf course on the north side of Highway 403 at that location. We own



some property in there where the interchange would be, but we do not own the right of way.

The proposal is to build the road south from Highway 403 with an interchange at Highway 403. It would just skirt around the Hamilton airport and would tie right into that Caledonia bypass at the north end. But our scheduling to build that road is quite a number of years off.

**Mr. G. I. Miller:** You mean to hook up to the bypass?

**Hon. Mr. Snow:** Yes.

**Mr. G. I. Miller:** Even with the airport coming on stream?

**Hon. Mr. Snow:** We will be monitoring the airport. In this day and age we just cannot, as I would like, build transportation facilities ahead of development. That is the ideal: to get the transportation facilities in before the houses get developed. It is easier to do and the facilities are there when they are needed. However, we cannot even keep up with existing demands on our highway construction, so we obviously cannot make major investments ahead of the need.

As the Hamilton airport expands, when they get the new runway and terminal and the money they need, and when a lot of airlines start flying in and out, they will have to have better access. That would trigger us into giving a higher priority to that connection down to the airport. It would then only make sense to connect straight through to the Caledonia bypass.

**Mr. Haggerty:** Wilson will change that, though.

**Mr. Samis:** Mr. Chairman, can I just make a point of order? If we are to break at 10 p.m., how many more names do you have to get through before 10?

**Mr. Chairman:** We have five names.

**Mr. Samis:** That means five minutes per person, if we are to have any chance of doing that.

**Mr. Chairman:** That is about five minutes per person, yes.

**Mr. Samis:** I would like to ask Mr. Miller how much longer he intends to take, if we are to have any chance of getting through three of those names.

**Mr. G. I. Miller:** About three minutes.

**Mr. Samis:** Promise?

**Mr. Haggerty:** How long are you going to take, George?

**Mr. Samis:** I have five questions. I will read off the five questions, shut up, and let the minister answer.

**Mr. G. I. Miller:** I think that covers it pretty well. I think getting access to Stelco, to get it moving, is an area that should be looked at.

**Hon. Mr. Snow:** I meet with Stelco people from time to time on other things relating to trucking and so on, and in all the years that I have been minister they have never made a presentation to me or to the government, that I know of, with regard to transportation facilities they feel are inadequate.

**Mr. G. I. Miller:** I thought we had some correspondence with you about the city of Nanticoke and Stelco this past summer.

**Hon. Mr. Snow:** I would not say about the city. I may have. I get correspondence from municipalities all the time. All I will say is that I have not had a delegation from Stelco, for instance, to see me.

**Mr. G. I. Miller:** Okay. I just want to wind up by saying the ditching on Highway 6, between Jarvis and Port Dover, is terrible—the cattails that grow up along there. I know there is a right of way that has been bought to widen it out, but if the ditching were improved it would certainly help the agricultural industry to be a lot more productive.

You know—and I know, being a former farmer—that you cannot grow where water lays. Perhaps that could be a priority—

**Hon. Mr. Snow:** Unless you are growing rice.

**Mr. G. I. Miller:** You do not grow rice here, I will tell you that, unless it is wild rice.

**Hon. Mr. Snow:** Are you talking about Highway 3 at Port Dover?

**Mr. G. I. Miller:** Highway 6, from Port Dover to Jarvis.

**Hon. Mr. Snow:** Okay, we will look into that.

**Mr. G. I. Miller:** They did do some patch-up work on it, but it was not very successful. Nothing disturbs me more than to see cattails growing along a steel—

**Hon. Mr. Snow:** It is fairly flat land down there.

**Mr. G. I. Miller:** Yes, it is. I agree with that. It is fairly flat.

**Mr. Chairman:** Okay. Thank you, Mr. Miller. Now, for your five minutes, Mr. Haggerty.

**Mr. Haggerty:** Good thing I can follow Mr. Miller; then we can follow Highway 3.

First of all, I want to thank the minister for the repaving and resurfacing job done in the city of Port Colborne and the town of Fort Erie, between Gasline and Gorham Road. I do not know if he

has been travelling that portion or not, but the other half—from Gorham Road to Thompson Road, I guess it would be, down near the racetrack in Fort Erie—is a four-lane road and in pretty rough shape.

I think the member for Lake Nipigon (Mr. Stokes) mentioned the level of the road, and the peaks and valleys in it. Certainly, if you were to put a straight edge across the road you would find very deep depressions, two grooves, in the road. The weight of some of the trucks that are using that portion right now is stretching the road.

I believe the minister has indicated in the past that the other half of that would be done—when, this coming year?

**Hon. Mr. Snow:** I will have to get the Hamilton program out here for you.

**Mr. Haggerty:** Perhaps your deputy can find it.

9:40 p.m.

**Hon. Mr. Snow:** Which highway are you talking about?

**Mr. Haggerty:** Highway 3.

**Hon. Mr. Snow:** Fort Erie to Niagara road.

**Mr. Haggerty:** Niagara regional road.

**Hon. Mr. Snow:** Niagara road at Highway 116.

I do not know why we are doing it. I was there this summer and drove over all those roads. It did not look bad to me. Anyway, you will be pleased to know that tenders are being called for it.

**Mr. Haggerty:** We do not all drive a Cadillac.

**Hon. Mr. Snow:** I was driving a Ford. I ended up in your town of Port Colborne. My wife, son-in-law and daughter were with me. My son-in-law is an Ontario Provincial Police constable and we ended up with—

**Mr. Haggerty:** Did he charge you?

**Hon. Mr. Snow:** A young lady fell off a bicycle on the side of the road and knocked herself unconscious. We were involved until we got an ambulance.

**Mr. Haggerty:** Was it related to the poor condition of the road?

**Hon. Mr. Snow:** I do not know what happened. She was riding on the paved shoulder. We are proposing to call tenders in February 1985 for the road you are talking about. That means it will be built.

**Mr. Haggerty:** It will be built? I know that the contractor who got the other job did a good job. I think it was a firm from Kitchener. They were

very efficient in doing the job in that area and moved right along with it.

My colleague, Mr. Miller, talked about Highway 3 and Highway 406. I believe there was a study done in about 1969 and I think it was by Dillon Associates on the reconstruction of Highway 3. It was supposed to go into Wainfleet and then tie into a new bridge across the Grand River in a straight route across. I have had some complaints about Highway 3 there. A two-lane section in Wainfleet township has been rebuilt and there is quite a problem with traffic through the hamlet of Wainfleet.

**Hon. Mr. Snow:** We just rebuilt that road. I was down there. I think you were at a meeting I was at.

**Mr. Haggerty:** That is right.

**Hon. Mr. Snow:** We met in the council chamber at the village of Wainfleet. They were doing construction right through the town at that time. Then we went up to Chambers Corners and along to where the lady with the antique shop was complaining about her trees.

**Mr. Haggerty:** You have a good memory. I have a letter going off to you about the problem of speeding in the hamlet of Wainfleet on Highway 3 and so on.

**Mr. Eakins:** It is because the roads are good.

**Mr. Haggerty:** The roads are good. It is a built-up area now and the speeding should be reduced.

I want to get back to Highway 406. I know you have opened it from St. Catharines and the Queen Elizabeth Way. It hooks up with the area around there. I want to thank the minister for putting up the big sign on the Queen Elizabeth Way directing traffic to the city of Port Colborne.

**Hon. Mr. Snow:** We will take it down, saw it into little pieces and give it to Jack Stokes to put up.

**Mr. Haggerty:** I am delighted you are changing your views on informing motorists about smaller communities. I do not have to tell you about the communities of Ridgeway and Stevensville in that area. For years, they have been trying to have signs put up on the Queen Elizabeth Way. I hope your views will be changing in that direction to give some indication of the industrial sites in the area.

I want to bring to the attention of the minister, since he has a good memory, that I believe it was in 1974 that we were in your office.

**Hon. Mr. Snow:** I did not take over until 1975.



**Mr. Haggerty:** In 1975; that is close enough. The mayor of the city of Port Colborne was Mayor Buscarino.

**Hon. Mr. Snow:** In another month it will be 1985 and I will have been here 10 years.

**Mr. Haggerty:** We were talking about the extension of Highway 406 and he said no council wanted it to come up as far as Highway 58B, I guess it would be. It would bring Highway 406 across the canal to Highway 58 and into Port Colborne. You did some major work on that highway. I think the conversation was that once they got the third bridge built across the canal, there would be a continuing hookup across the old weir to Killaly Street in Port Colborne. It would give almost a direct line.

I think the third bridge has worked out very well for the residents of that area. One bridge is always down and they can get across the canal. Because of larger vessels today there is not the same number and it has worked out well, but if you could get traffic across the old weir tied up to that third bridge, and I think that is what the city of Port Colborne wants done there, I do not think it would be that—

**Hon. Mr. Snow:** Yes, we have discussed that with them. I do not think my staff agree with them. Looking at the situation on maps they brought to discuss it in my office, it seems to make sense, when you come across the new lift bridge, to be able to go down, instead of going back up to whatever the street is, and across in the area of the weir and tie into another street and split that traffic.

On paper it looks pretty good. I looked at it from the air one Sunday afternoon, when I was flying around. It sorts of makes sense when you are looking down at it. I could see how it worked. That would be a municipal project in any circumstance.

**Mr. Haggerty:** There would be a contribution from the province.

**Hon. Mr. Snow:** Oh yes.

**Mr. Haggerty:** Is it 80 per cent on bridges still?

**Hon. Mr. Snow:** Not for cities, no; 50 per cent.

**Mr. Haggerty:** Not for a city, eh?

**Hon. Mr. Snow:** There is no money, no matter whose it is.

**Mr. Haggerty:** No, but there is an advantage to the motorists in that area.

**Hon. Mr. Snow:** I cannot recall why my staff were not enthused about the idea. I thought it looked pretty good.

**Mr. Haggerty:** The city now has to provide dual services there to get across both sides of the canal.

**Hon. Mr. Snow:** But we made a great improvement with that new bridge.

**Mr. Haggerty:** Definitely.

**Hon. Mr. Snow:** What they are worrying about now more than anything else is getting on with Highway 406. As you know, not in your riding but up in Welland, the riding of the honourable member from Dry Gulch or whatever it is, the highest priority is to get that Woodlawn Road crossing in. At least that is what they tell me.

In order to reach their needs with their limited money, we put forward to the city of Welland a proposal to stage the construction of Highway 406. Instead of trying to do it all four-lane with expensive interchanges initially, and it was going to take so long to do it, we went back through with a plan we could do faster. The plan was to do the route as a two-lane staged freeway so the other two lanes could be added and the interchange put in. We are still going to put the Woodlawn Road crossing in.

**Mr. Haggerty:** Will the federal government participate in that? Not across the canal?

**Hon. Mr. Snow:** No, the federal government does not participate in anything other than—

**Mr. Haggerty:** They are on your side now, you should be able to get them to.

**Hon. Mr. Snow:** I doubt if that is going to change, but it might. The only thing they participate in is railway grade separations and the odd specific project such as that lift bridge in Port Colborne because it is over the canal.

**Mr. Haggerty:** You got a good deal on that though. Instead of building a \$40-million tunnel, it only cost you one year's interest, \$4 million. I remember the minister quoting that figure with a big smile.

**Hon. Mr. Snow:** That is why we did it. I mean we agreed with the St. Lawrence Seaway Authority. It was a joint deal. We built that extra bridge. As you say, the cost of that bridge was only a year's interest on what the tunnel would have cost.

**Mr. Haggerty:** I do not want to delay any longer than that. Would you reconsider that third crossing to tie up with the new bridge on the canal?

**Hon. Mr. Snow:** I am sure it will get worked in some time with—



**Mr. Haggerty:** Can we have a meeting with you?

**Hon. Mr. Snow:** We have already had one. Yes, you can have another one some day. I hear from Port Colborne once in a while.

**Mr. Haggerty:** Yes, I do too.

**Hon. Mr. Snow:** I know we discussed that. I forget the technical reasons on it. In any case—  
9:50 p.m.

**Mr. Haggerty:** I think the technical reason—they wanted to move the control up there which is really—

**Hon. Mr. Snow:** I think they wanted to build a weir and a bridge together.

**Mr. Haggerty:** No, I am talking about a bridge.

**Hon. Mr. Snow:** But they wanted to control the water level. When Lake Erie is stormy, the water level rises in that canal and their storm drains all back up.

**Mr. Haggerty:** Yes, it almost comes over the wall there.

**Hon. Mr. Snow:** So they wanted to put a weir in there somehow or other as part of this bridge, to stop the water. When the wind blows from the southwest, it heaps the water on the north side of Lake Erie and raises that. If you put in the weir on the other side of it, the water would be lower and their storm sewers would still have someplace to drain. We are getting into design details.

**Mr. Chairman:** I know. Perhaps we should leave those to another time and place. Mr. Wildman is the next speaker, then Mr. Samis, Mr. Eakins and Mr. Hodgson. We have all those in the next 10 minutes.

**Mr. Wildman:** If there is not time to respond, the minister or deputy might be able to answer in writing later.

I am looking at the figures for recoveries under the provincial highways program from the Ministry of Northern Affairs. I note for northern roads construction, capital and maintenance, it is about \$59 million to \$60 million. Could you give me some idea as to how that compares with last year, and so on?

**Hon. Mr. Snow:** The Minister of Northern Affairs (Mr. Bernier) has money in three different pots: in his provincial roads budget, in the northern Ontario resources transportation committee budget, and then he does some special projects.

**Mr. Wildman:** New infrastructure.

**Hon. Mr. Snow:** Yes, he does those under his northern Ontario development fund or some-

thing. All that is about \$50 million in the northern roads and \$5 million or \$6 million in the other regional priorities. That is what I was looking for. That has been pretty much the same for about the last three or four years in the \$55-million to \$60-million range.

**Mr. Wildman:** All right.

**Hon. Mr. Snow:** We do the work and requisition the money from the Ministry of Northern Affairs.

**Mr. Wildman:** I understand that. I want to say I am happy to see the ministry has called tenders on the Dubreuilville Road.

**Hon. Mr. Snow:** We have been discussing that for nine years.

**Mr. Wildman:** I would like to bring to the minister's attention a couple of other matters which are somewhat similar to the comments made by my colleague, the member for Nickel Belt (Mr. Laughren), with regard to the Ramsay situation.

There are a couple of communities in my riding in which access may be uncertain. One is Oba, which is about 70 to 75 miles south of Hearst at the junction of the Canadian National and the Algoma Central Railway lines.

**Hon. Mr. Snow:** It has two railroads.

**Mr. Wildman:** Yes. The road going in belonged to Newaygo Forest Products Ltd.

**Hon. Mr. Snow:** One hundred years ago it probably had the best transportation in the world.

**Mr. Wildman:** Yes, that is right. As you know, Newaygo was sold by Consolidated-Bathurst Inc. I am not sure what that means for the road. I understand the Ministry of Northern Affairs has been looking at it. I would hope that perhaps the Northern Ontario Resources Transportation Committee might as well. There is also a small community called Lochalsh on the Canadian Pacific Railway line east of Dubreuilville.

There was a Dubreuil Lumber Co. road going in there. Now that is no longer being used by the company because they are not operating in that area. While it has rail access, as the minister knows, and I sympathize with the expressions of concern he has made to the federal government regarding the cuts in Via Rail passenger service, it has become more isolated because of inadequate rail execution.

**Hon. Mr. Snow:** How many people live in Oba?

**Mr. Wildman:** About 60 people.

**Mr. Gilbert:** How many in Lochalsh?

**Mr. Wildman:** It is very small.

**Hon. Mr. Snow:** A CP trainman and his family.

**Mr. Wildman:** Probably the section crew.

**Mr. Gilbert:** There is a road running in there.

**Mr. Wildman:** Yes. It is just not being maintained. It is the same for Oba. The road was maintained by Newaygo and I do not know what will happen with it.

In that regard I would like to have some idea of the ministry's position on the proposal that has been made by the township of Wicksteed for a highway link between Hornepayne and Manitouwadge. I am sure it would be a major undertaking; it is about 19 miles. If it were improved it might influence the continuing reconstruction of Highway 631. I would be interested to hear your views on that.

**Hon. Mr. Snow:** I have never heard of it before.

**Mr. Wildman:** I know there have been discussions with the Ministry of Northern Affairs. Again, I am trying to finish as quickly as possible.

**Hon. Mr. Snow:** That would be a good 50 miles.

**Mr. Wildman:** There is a lumber road there already.

**Hon. Mr. Snow:** It is about 50 miles across there.

**Mr. Wildman:** If there is a decision to go that route, I would like to know how that might affect the plans for reconstruction of Highway 638.

**Hon. Mr. Snow:** To my knowledge, no consideration is being given to a road across there.

**Mr. Wildman:** Northern Affairs has been doing some—

**Hon. Mr. Snow:** Whenever we have the Northwest Chamber of Commerce down here, they talk about other connections up there. They want the Manitouwadge road extended up to Caramat and Longlac and so on. There is also another one some place they want.

**Mr. Wiseman:** In that sense this would be a shortcut.

**Hon. Mr. Snow:** No.

**Mr. Stokes:** It goes the wrong way.

**Hon. Mr. Snow:** It goes in the wrong direction. You cannot go west and get north.

**Mr. Wildman:** You can eventually.

**Hon. Mr. Snow:** Not according to my navigation.

**Mr. Wildman:** There has been considerable discussion between the township of St. Joseph on St. Joseph Island and the Ministry of Transportation and Communications with regard to drainage around Highway 548 in the village of Richards Landing. I know the ministry agrees there is a drainage problem and that the highway may be contributing to it. It is a very good highway.

**Hon. Mr. Snow:** I have just written to them and said the highway ditch is not an appropriate method of solving that drainage problem.

**Mr. Wildman:** I understand your position. I also understand that—

**Hon. Mr. Snow:** We also told them they should apply under the Drainage Act to put in some kind of a public drain and then—

**Mr. Wildman:** The ministry would contribute.

**Hon. Mr. Snow:** —we would contribute towards the cost of the drainage and the farmers and the municipality and so on would also contribute. That is our standard position on that type of situation. We are not drainage people.

**Mr. Wildman:** I understand that. The ministry engineers have indicated they believe the highway is blocking some of the natural drainage on a very steep hill in the area. The reason I am raising it now is because I just got a letter from the Minister of Northern Affairs in which he indicates the Ministry of Transportation and Communications is doing another analysis. This rather surprised me.

**Hon. Mr. Snow:** That is the one I just completed. I just sent them the letter.

**Mr. Wildman:** Oh, I guess he is just slow in writing his correspondence.

**Hon. Mr. Snow:** We are away ahead of everybody else.

**Mr. Samis:** I will reduce the number of my questions from five to one. In the true spirit of the back 40, I would like to ask the minister if he could say why in the ministry winter road reporting service, in the bulletin that goes around, there is nothing for the areas represented by Cornwall, Brockville, Smiths Falls, Perth, Pembroke, Renfrew or Hawkesbury. Everybody in that area has to call Ottawa, which is long-distance.

**Hon. Mr. Snow:** We have a toll-free number, I believe.



10 p.m.

**Mr. Samis:** It does not say that in the bulletin: "Around the clock by telephone, the following list of road information numbers in Ontario." There is no mention of them being toll-free. First of all, is that a cutback? Have you not had any numbers in those areas before?

Along the St. Lawrence, have you never had numbers for east of Kingston before? We still think it is part of Ontario. Have you never had any offices there?

**Mr. Gilbert:** I think there are toll numbers for those—

**Hon. Mr. Snow:** We are supposed to have a toll-free line. We do not have people stationed 24 hours a day in all those places.

**Mr. Samis:** They are not insubstantial communities.

**Hon. Mr. Snow:** I know.

**Mr. Gilbert:** You are quite right; they go to Kingston or Ottawa, depending on the district. We have tried to improve the service by having a toll-free line.

**Mr. Samis:** I ask you to get back to me. I saw the list and specifically noticed it. I was surprised when I did not see Cornwall, Brockville, the Lanark area, Pembroke, Renfrew or the Prescott-Russell area. I understand Ottawa and Kingston are central locations. Nevertheless, I see Breslau, Baden and Elmira; they are pretty close together.

**Mr. Chairman:** Can I add to that? All those small places are there, but Cambridge is not.

**Mr. Samis:** Cambridge is not there. From the Quebec border to Kingston you are talking about 140 miles, and from Cornwall to Pembroke you are talking about 100 or 110 miles. That is a fair area to cover.

**Mr. Gilbert:** I know the area very well. We will look into this because we have attempted to improve that service.

**Mr. Samis:** It struck me as a major omission when I saw the lists.

**Hon. Mr. Snow:** We do not set up people to talk to people, but there should be a telephone line.

**Mr. Samis:** We get a fair snowfall compared to the banana belt around here.

I will confine myself to that one question.

**Mr. Hodgson:** The minister has already reviewed the position of Highway 407 which is in the south end of my riding and he is having the region of York in on December 12 or 13. What

specifically is the plan for Highway 404 for 1985?

**Hon. Mr. Snow:** We have the job ready. We have had it on standby. It was ready for the current year of 1984 if we could have fitted it into the budget; as you know, we could not. We have ordered one job on Highway 404 which is coming along well. We lost a year in our overall schedule because of the bridge abutment problem.

Our main contract for Highway 404 this year is a structures contract for four major structures. There are regional road 12, regional road 31 and Bogart Creek. The tenders are to be called on June 19, 1985.

**Mr. Hodgson:** That is the information I was seeking.

**Hon. Mr. Snow:** That contract is \$7.5 million.

**Mr. Hodgson:** Can you give me a rough estimate how much the structure failure on the Vandorf road has cost?

**Hon. Mr. Snow:** The structure failure has cost us time and no doubt there is some cost as to our own staff in dealing with the problem, but I understand the basic cost of repairing the failure is being paid by the insurance company of the consulting engineer who designed it.

**Mr. Hodgson:** Fine; that was what I wanted.

**Hon. Mr. Snow:** Mr. Hodgson, for Highway 404, in our 1986 program we have a further contract from regional road 15, or the Aurora sideroad, as you know it, north to regional road 31, Davis Drive. It is a grading contract.

**Mr. Hodgson:** Is it not a paving contract?

**Hon. Mr. Snow:** No, it is only for grading. Once this other contract in 1985 for the bridges is done, there is a 1986 grading contract. The paving contract will be about 1987. Before you serve your next term in the Legislature you will have your road to Davis Drive.

**Mr. Hodgson:** I hope so. I have been here nearly 20 years waiting for it. The problem goes back to Lex Mackenzie's time, and they are still working on it.

**Hon. Mr. Snow:** You know, Bill, all in the fullness of time.

**Mr. Hodgson:** Thank you very much, Minister.

Interjections.

**Mr. Chairman:** Gentlemen, I think we are now ready to move to Expo 86.

**Mr. Wildman:** I just want to make the comment that I hope Mr. Gilbert enjoyed his trip



along Highway 638 on the tour. I understand there was what the Ministry of Transportation and Communications sometimes calls aggressive maintenance just prior to his visit.

**Mr. Gilbert:** I heard that, and I must say that when I was there I asked the same question, "Was this just for my benefit?" You will be happy to know, however, that we are doing some work on it starting next year.

**Mr. Wildman:** Thank you. I am glad to hear it.

**Mr. Chairman:** Gentlemen, we will carry those two votes on the roads program that we have just discussed.

Votes 2804 and 2807 agreed to.

**Hon. Mr. Snow:** There is \$1 billion you just spent.

**Mr. G. I. Miller:** Is that provincial and municipal?

**Mr. Chairman:** Yes, it is.

**Mr. Samis:** I will just get it straight. That leaves votes 2802, 2803, 2805, 2808 and 2809. Is that right?

**Mr. Chairman:** I think you are right.

**Mr. Eakins:** What are we on next week?

**Mr. Chairman:** All the rest. Anything else. After tonight, we only have Tuesday night to go.

Gentlemen, thank you for having me speed up through the last few moments of those votes. I would like to move on now to those who might have questions, and to see the presentation Mr. Kell has for our big project out at Expo 86.

**Mr. A. S. Kell:** Thank you, Mr. Chairman. Gentlemen, with your approval, I will give you a brief overview of the Expo site and pavilion, and then attempt to respond to any questions you may have.

Probably the first thing to note is the location of the Expo site on False Creek. You may all know the setup in Vancouver. In general terms, in order to pinpoint it, Stanley Park is located over here at the broad inlet. The main waterway is in this area here, and False Creek is a waterway that comes in and almost completely bisects the city of Vancouver.

The Ontario pavilion is located up here in the northeast corner. I have identified on the map some of the primary pavilions that are our neighbours.

**Hon. Mr. Snow:** The yellow item is the dome.

**Mr. A. S. Kell:** Yes, that is right. This is the existing British Columbia domed stadium.

**Mr. G. I. Miller:** Is there a sawmill directly behind the building?

**Mr. A. S. Kell:** Not any more.

**Mr. G. I. Miller:** Is it gone?

**Mr. A. S. Kell:** Yes, most of the commercial operations down in False Creek have been removed. There are still one or two pieces around, but for the most part it is all gone.

There are a couple of points I would like to point out with respect to neighbours. We have identified the Canadian National pavilion here, for one of the corporate sponsors or participants. Our neighbours over here are from Australia, and down here we have the Expo preview centre.

**Hon. Mr. Snow:** One of the transit sites is there.

**Mr. A. S. Kell:** Right.

**Hon. Mr. Snow:** The transit station is almost beside our pavilion.

**Mr. A. S. Kell:** Yes. As the minister mentioned, our pavilion is located at a very desirable point on the site. This point is the main entrance to the site. This yellow band is the Urban Transportation Development Corp. light rail transit system. Over here are the main Expo station and urban transit plaza.

Most of the visitors to the exhibition will actually be coming in via this route; the Ontario pavilion is well located. In the urban transit plaza, over in this section here, there will be all sorts of demonstrations of transportation equipment.

**10:10 p.m.**

In the pavilion itself there are a number of components which would basically stand alone. We have a 750-seat theatre, which is this little item here. Here, we will be showing a 70-millimetre, three-dimensional, multi-image film. It will be very similar to the award-winning film of 1967, *A Place to Stand*, but will be updated to show conditions in Ontario today.

Over here, we have a full-service restaurant. Adjacent to the restaurant there is a wine garden, which will feature Ontario wines. The capacity there is about 200.

Under the amphitheatre—this is the amphitheatre area here—there is what we call a controlled environment exhibit area. It is quite often referred to as the dark exhibit area. Essentially, it is going to be a theatrical presentation of the development of Ontario from the early stages right through to 1986. The use of theatrical techniques for this presentation is quite new and, as far as we know, has never been done before.

In this corner is the VIP lounge. Here we have a private dining room. We have a bar area and we have a marketing area. This is essentially a library area with facilities for audio-visuals and to provide any visitors with information they want regarding businesses located in Ontario.

**Hon. Mr. Snow:** Everybody from Ontario is invited out there.

**Mr. A. S. Kell:** We would extend that warm welcome to anyone from Ontario.

Incidentally, this roof covers the whole thing. It does not hang open like this. We have removed part of the roof so it is much easier to see what goes on inside. Back in this light area is where we expect to demonstrate a number of manufacturers' exhibits. We have come up with what we think is a very novel way to present these exhibits and they will probably be made available to you gentlemen early in the new year.

We also expect to have an entertainment program. The fair is going to run for five and a half months or 164 days and the design of the pavilion essentially seems to suggest that something should be happening down in this area here. One of the things we will be looking at is putting together an entertainment program that would keep the people amused while they are sitting enjoying the sights of False Creek.

I have mentioned the proximity of the pavilion to the LRT system. Of course, we will be doing our damndest to profile the Urban Transportation Development Corp. involvement with that system in British Columbia. The Expo 86 Corp. has conservatively estimated attendance at the fair to be something over 15 million. We would expect to enjoy a packed house from morning to night for the entire period, which means something in excess of two million will pass through the Ontario pavilion.

**Mr. Samis:** They did not go to New Orleans.

**Mr. Stokes:** Yes, they did, as a matter of fact.

**Mr. Samis:** What a disaster.

**Mr. A. S. Kell:** Some people think New Orleans was somewhat underrated. It started off on the wrong foot and really never quite recovered.

**Mr. Samis:** A minor-league fair.

**Mr. A. S. Kell:** In addition to the exhibits on stage and on show and the activities we hope will be carried out by our business community in the VIP lounge and marketing areas, it is our intention to participate in all the events that involve the transportation community. The Ministry of Transportation and Communications will be participating in the various seminars. In

fact, we are scheduled to attend one in 1985; ministry officials will attend that seminar.

We are also involved in a steering committee which represents the provinces and territories. The idea of being involved there is to do as much as we can to support each other and to come up with some ideas of presenting a grand face of Canadian unity. That is the best way to put it.

**Mr. Stokes:** What other forms of transportation are you highlighting, other than light rapid transit?

**Mr. A. S. Kell:** Actually, they have a number of plazas. They are covering water, air and land.

**Mr. Gilbert:** All modes of transportation, as well as communications.

**Mr. Stokes:** Including airships?

**Mr. Gilbert:** As far as Expo is concerned, everything—

**Mr. Stokes:** The Dash-8?

**Mr. Gilbert:** Yes.

**Mr. Samis:** May I ask you about the philosophy of the pavilion?

**Hon. Mr. Snow:** How would it be if we talk to Leo and get the private car and tie it on to the back end of the Canadian—

**Mr. Stokes:** I will be available.

**Hon. Mr. Snow:** —and you can give the signals.

**Mr. Samis:** It does not float.

**Mr. Chairman:** Order, please. I believe the bells are ringing. If there are any really quick questions for Mr. Kell—

**Mr. Eakins:** What happens to the pavilion when Expo is over?

**Mr. A. S. Kell:** Under the rules of international exhibitions, the pavilion must be dismantled and the site cleared.

**Mr. Eakins:** You are sure it is not going to be Mr. Foley's home?

**Mr. A. S. Kells:** No, I am afraid not.

**Mr. Chairman:** It is up for sale.

**Mr. Samis:** Would you say there is as much emphasis on cinematic presentation as there was at the Expo 67 pavilion?

**Mr. A. S. Kell:** I think probably yes. We expect the content of our film, regardless of the fact we will be using a new technology, will be just as popular as A Place to Stand.

**Mr. Samis:** But are you using the cinematic means to get the message across more so than would be done by sterile displays and so forth?

**Mr. A. S. Kell:** Yes, very much so. We will be covering all aspects of manufacturing in Ontario and really trying to depict our province.

**Mr. Eakins:** Is there no means of re-establishing it elsewhere or doing something else with it?

**Mr. A. S. Kell:** Yes. The chairman will probably explain that he has established a committee with a board of directors to look at that very—

**Hon. Mr. Snow:** The pavilion is being designed and built in sections so that when it is dismantled it could be—

**Mr. Samis:** Upper Canada Village?

**Hon. Mr. Snow:** I have been trying to pick out a location in Oakville.

**Mr. G. I. Miller:** What was the investment?

**Mr. A. S. Kell:** At present we are in the final stages of receiving tenders for the construction of the pavilion. It looks as though we will come in a shade under \$11 million.

**Mr. G. I. Miller:** Is that the overall budget you are operating under?

**Mr. A. S. Kell:** No, \$11 million was the approved amount for construction. It looks very positive for coming in slightly under that amount.

**Mr. Chairman:** We have about five minutes to walk upstairs.

The committee adjourned at 10:17 p.m.

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### **From the Ministry of Transportation and Communications:**

Gilbert, H. F., Deputy Minister

Kell, A. S., Director, Finance and Administration, Expo 86 Ontario







No. R-45

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario



**Standing Committee on Resources Development**  
Estimates, Ministry of Transportation and Communications

**Fourth Session, 32nd Parliament**  
Tuesday, December 11, 1984

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, December 11, 1984**

The committee met at 8:05 p.m. in room 151.

### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (concluded)

**Mr. Chairman:** We will get under way with our votes for this evening. Presumably we will finish up on the votes this evening.

The standing committee on resources development is to review the annual report of the Workers' Compensation Board, and at some point during the course of the evening the Labour critics will come in to set the timing of it. So with the permission of the committee, when the member for Nickel Belt (Mr. Laughren) and the member for Essex South (Mr. Mancini) come in, we will break into our activities—

**Hon. Mr. Snow:** Those little guys?

**Mr. Chairman:** The little guys.

**Mr. Eakins:** Are we going to do Labour estimates tonight?

**Mr. Chairman:** No, not Labour estimates. The Labour critics will be here to set the schedule for February.

**Hon. Mr. Snow:** For the trip to Jamaica.

**Mr. Chairman:** For our trip to Queen's Park. That is as far as we are going to get.

**Mr. Eakins:** You can do that at 10:20.

**Mr. Chairman:** Pardon?

**Mr. Eakins:** You would have an easier time setting it if you were going to have it down there.

**Mr. Chairman:** We sure would.

**Mr. Eakins:** They are all little people.

**Mr. Chairman:** Yes. When the little people come we will talk about our winter schedule. It should take only a matter of minutes once they show up.

On vote 2802, policy planning and research program:

**Mr. Eakins:** What about municipal transit?

**Mr. Chairman:** I am going back to the lowest number we have not discussed. We were not into municipal transit, were we?

**Mr. Eakins:** No, I thought that was what we were doing tonight; we will eventually.

**Mr. Chairman:** Tonight we are doing everything we have not yet done.

**Mr. McKessock:** Mr. Chairman, this might be a good time for me to raise this matter. So that you know what I am talking about, I will read this resolution to you. It is from the corporation of the township of Proton. I have had several such resolutions come in from various municipalities:

"We endorse the resolution re the concerns expressed by the Ontario Good Roads Association respecting the inadequacy of funds made available by the government of Ontario for municipal road subsidies, as expressed in their brief to the Ontario cabinet committee on resources development, dated November 1, 1984;

"And further, that a copy of this resolution be sent to the minister."

I know the minister has already received it. I just wanted to bring to the minister's attention that I have been sent a number of these resolutions. I wonder whether he has received them and how he is responding to them.

**Mr. G. I. Miller:** Mr. Chairman, I got one exactly the same. It is kind of peculiar. It is from the township of Delhi.

**Mr. Chairman:** Does the minister have a response?

**Hon. Mr. Snow:** I have received some 450 of them by now.

**Mr. McKessock:** You are well aware of it. How are you responding to it?

**Hon. Mr. Snow:** I am responding by saying that I am very sympathetic to their problems. I do not disagree with their resolution, and I will bring their concerns to the attention of my colleagues when we are setting the budget.

**Mr. McKessock:** Have you any great hope of satisfying their concerns?

**Hon. Mr. Snow:** That all depends on the things that are going to happen in the next period of time.

**Mr. Eakins:** Wait for the new Premier.

**Mr. McKessock:** Oh, I see.

**Mr. G. I. Miller:** That is why he is not supporting the Treasurer (Mr. Grossman).

**Mr. Chairman:** Does that answer your question? It is not satisfactory, but does it answer your question?

**Mr. McKessock:** That is what I wanted to bring before the minister.

**Hon. Mr. Snow:** I am very much aware of the concerns of the municipalities about the level of funding we have had for them. I do not think anyone meets, discusses and reviews the programs of the municipal roads committees more than I do. I do it daily and I have been doing so for nine and a half years or something, so I am very much aware of their needs.

I think the OGRA put forward an excellent presentation to the cabinet committee this year. Its figures and its program were very well documented. I do not disagree with its presentation, and within the limits of what we are able to allocate for municipal roads this year, we will try to meet its requirements.

**Mr. McKessock:** So we will have to wait and see who will be the new Premier and Treasurer in the coming year, I suppose, and we will take it from there.

**Mr. Samis:** Mr. Chairman, I have a couple of questions, but first I want to raise a point of privilege on behalf of the opposition members.

I recall very vividly that the minister made a solemn promise on the occasion of the addition of three grandchildren to his ever-growing clan that he would honour us with the gift of some fine Cuban cigars. This is the last night of the estimates, and Eric is not even here—

Interjections.

**Hon. Mr. Snow:** Did I say that?

**Mr. Samis:** It is in Hansard.

**Hon. Mr. Snow:** Well, a commitment is a commitment.

**Mr. Samis:** A man of your means—we will even settle for two.

**Mr. Eakins:** I have every reason to believe that the minister will deliver.

**Hon. Mr. Snow:** We will have to carry the estimates over until Thursday night so I will be able to deliver.

**Mr. Samis:** We may have to.

**Mr. Chairman:** We will still be here on Thursday.

**Mr. Samis:** There might be some events on Thursday night.

**Mr. Eakins:** I have faith the minister will honour the commitment.

**Mr. Samis:** I have one question on this vote, which in previous years we have included with the GO Transit vote. I wonder whether we can get some breakdown as to where the money has

been spent on those three items, policy planning, transportation technology and energy, and research.

**Hon. Mr. Snow:** This is the research vote—

**Mr. Samis:** I would like a little more specific information on the money that has been spent.

**Hon. Mr. Snow:** —and it does not really involve GO Transit.

**Mr. Eakins:** We are on vote 2802 now.

**Hon. Mr. Snow:** Vote 2802 is research and development.

At one time, a few years ago, this was where the funds were located for research and development on the intermediate capacity transit system. We have paid for our contract with the Urban Transportation Development Corp. for that research and development project; I do not think there are funds in this vote for GO Transit or UTDC.

**Mr. Samis:** That is my question. Where is this research money going? I can read the program description, but it is still fairly general information that has been given out.

**Hon. Mr. Snow:** We are continually doing research on new products, new methods of construction, new equipment and different projects within the drivers and vehicles area.

**Mr. Samis:** Can you throw out a few examples? What are you doing in terms of new technology for traffic control and things like that? Are you doing research in that area?

**Hon. Mr. Snow:** Traffic control?

**Mr. Samis:** What sort of stuff? Your colleague—

**Hon. Mr. Snow:** When the light turns green you go, and when it turns red you stop.

**Mr. Samis:** Really? We could have had the member for Humber (Mr. Kells) tell us that for a lot less.

Your colleague the member for Lakeshore (Mr. Kolyn) introduced an interesting resolution in the private members' hour many moons ago about the greater use of technology in Ontario and the job spinoff from it. I would like to know what your ministry is doing in terms of research on technology—computers, digital control, traffic control and so on.

**Hon. Mr. Snow:** We have done a lot of work with computerized traffic control. We are installing a new system on Highway 401 between Highway 427 and Highway 404. We now have it on the Queen Elizabeth Way to a limited degree. We are putting it on the James Allan Skyway.



**Mr. Samis:** The one whose name 18,000 people want to be kept as is?

**Hon. Mr. Snow:** That new technology is being developed for the monitoring of speed and traffic control on the highways.

**Mr. Samis:** You have some \$10 million listed, and I still do not have a clear sense of what your priority is with that \$10 million under policy planning, transportation technology and energy, and research. What is your number one priority within that \$10 million?

**Hon. Mr. Snow:** We used to have a large amount of money in that area for transit technology development. We do all our traffic studies, travel and demand forecasts in this area—for example the work we are doing on the interregional movement of goods.

**Mr. Samis:** Take transportation technology and energy, item 2. You have \$4.8 million for that one. What does that mean?

**Mr. Gilbert:** This is work we now are doing—and have been doing, as you know, Mr. Samis—with the Ministry of Energy. It is known as TEMP.

**Hon. Mr. Snow:** That is the transportation energy management program.

**Mr. Samis:** That whole \$2.5 million is for TEMP?

**Hon. Mr. Snow:** No.

**Mr. Gilbert:** The description on the top covers it pretty well. Certainly a lot of the work done with the Ministry of Energy is done under the transportation energy management program. It has been going for a number of years. We have been working with industry. We have a number of projects going on, some of which we fund ourselves and some of which are funded through the Ministry of Energy. You will notice the \$1,894,000, as far as recovery is concerned, is from recovered projects through the Ministry of Energy.

**Mr. Samis:** Can you give me the two or three largest components of that \$2.5 million expenditure?

**Hon. Mr. Snow:** We are doing tests at the Huron-Centralia research centre, where we do all the tests on articulated vehicles. We have done all the tests down there for the Uffen commission on the triple unit, the anti-jack-knifing devices and that type of thing as well as the DriveSave program, teleconferencing and the TruckSave program.

The TruckSave program is the one under TEMP where we have a competition for all the

truckers as to how many tons they can haul from A to B and what their fuel consumption per ton-mile is. That has been a very successful program in connection with the trucking industry.

Within the government we are working on different methods of cutting down on fuel consumption.

**Mr. Samis:** Those are ongoing things.

**Hon. Mr. Snow:** It is not as if they do not cost money; they are all part of this vote.

**Mr. Samis:** So what is the single largest component of that \$2.5 million in terms of dollars?

**Hon. Mr. Snow:** I think we should ask Mr. Johnston.

**Mr. Gilbert:** Gerry, could you come up, please?

**Mr. Johnston:** One of the largest projects we have under way right now is a program to convert 20 buses in Ottawa-Carleton from diesel to propane. We are trying to demonstrate the applicability of this motive power from the point of view of reduction in emissions, lower noise levels, fuel economy and efficiency and savings. That is probably one of the larger ones.

**Mr. Samis:** Is that the largest component, would you say?

**Mr. Johnston:** I believe it is right at this time, yes.

**Mr. Samis:** What would rank second under that budget? Mr. Chairman, to expedite things, I will await the answer and move on.

**Mr. Gilbert:** Do you have it here?

**Mr. Johnston:** No, I do not have it right here. I will have to get it.

**Mr. Chairman:** Perhaps we can let Mr. Eakins in and come back to your question, Mr. Samis.

**Mr. Samis:** I will await the answer.

8:20 p.m.

**Mr. Eakins:** There are a couple of questions I want to ask. Focusing on pavement research, use of good structural procedures and new materials, do you have anything to bring us up to date on pavement research? Are you trying different materials? How is it working out and what is the future with regard to types of pavement materials with longer life and safety?

**Hon. Mr. Snow:** We have developed the new sound reduction carpet seal drainage type of pavement, which we are using on all the major freeways through the built-up areas at this time.



**Mr. Eakins:** How long has that been in operation?

**Hon. Mr. Snow:** We did the first tests seven years ago on a section of Highway 401 in the Downsview area. If you drive along any of these areas you will hear the tires whistle. When you are on this new type of pavement you do not get that.

It is also a porous, aggregate type of pavement and when it rains, the water does not lie on the surface; it drains through it. Consequently, you do not get that slick planing effect of water lying on top of a smooth pavement. We are using that now on all our major repaving jobs through the built-up areas or areas where noise attenuation is of major concern.

**Mr. Gilbert:** I think, Mr. Chairman, added to that—

**Hon. Mr. Snow:** There is also the recycling and the amount of work we have been doing—

**Mr. Eakins:** Was a glass type of material used some years ago?

**Mr. Gilbert:** Yes, we have done that.

**Mr. Eakins:** How did that work out?

**Hon. Mr. Snow:** It did not set the world on end.

**Mr. Gilbert:** One of the greatest problems we have as far as pavement design is concerned is in the consistency of the asphalt cement we receive. This problem is not unique to Ontario but applies throughout North America. In fact, the American Association of State Highway and Transportation Officials is spending millions of dollars right now attempting to resolve this problem.

I think you can appreciate that asphalt cement comes from a number of different sources known as, more or less, the spot market, and the consistency of that asphalt cement gives us problems in pavement design.

So, as I said, in Ontario we are having problems similar to those being experienced in the United States. We are working with the American Association of State Highway and Transportation Officials, as well as with other provinces, trying to resolve this problem. It is not going to be easy. It is going to take several years to resolve that. It is one of the greatest problems.

In addition, as the minister says, we have done a lot of work in recycling in the past number of years, and we are continuing to do it, both from an economic point of view and to save aggregate and asphalt. However, there again, we have had mixed results. We are as far ahead as anyone in the world, but we are still having some problems in that area.

**Mr. Eakins:** Do you share research with other jurisdictions?

**Mr. Gilbert:** Yes. In fact, we are one of the strong members of the American Association of State Highway and Transportation Officials. We have people within the ministry such as Bill Phang, who is asked to go around the world to seminars and conferences as an expert in paving design.

**Hon. Mr. Snow:** In my travels and discussions from time to time in the United States with people in the road construction industry, I have found they look upon us as being by far the most advanced in the area of recycling.

We are recycling in two different ways. We have the hammermill machines that plane off the surface of highways before we resurface, to reduce the level to below the curbs so we can repave and still stay within the curb limit. They grind up the asphalt, load it on trucks and take it back to where it is recycled to be brought back as new asphalt.

Then we have the projects where there is reconstruction going on, where they remove the existing asphalt with a backhoe or a Gradall and break it up in big chunks, load it on trucks, take that back and stockpile it, and then put that through a crusher and crush it down.

We are doing that at the intersection of Highways 401 and 403 right now. Armbro Materials and Construction Ltd. has its plant set up there. They have a huge pile of crushed asphalt which they took out of 401; about 12 inches thick so there is a tremendous quantity of it. They crush that up, mix it with a certain percentage of new liquid asphalt and some new aggregates and bring that back and use it mainly as base coarse for the new pavement.

**Mr. G. I. Miller:** Have you calculated what the recycling saving is?

**Hon. Mr. Snow:** If you do not save it you end up putting it in the dump. You are just trying to find a place to get rid of it. Many areas are recycling broken concrete, sidewalks, curbs and so on. If you crush that up you get new granular material rather than finding a hole someplace to bury it in.

I cannot give you exact figures on dollar savings but certainly we are saving on the amount of new asphalt we buy and on the material coming out of our pits and quarries.

**Mr. Gilbert:** Yes, I think that is it. It varies how much you actually save but, as the minister says, the major saving is in being able to use the same products over again.

**Mr. Eakins:** There is one other area I wanted to ask about, it has to do with highway safety and research. I am sure you have researched the advanced amber lights that I see in areas of British Columbia. When one approaches a busy intersection, if an advanced amber light comes on it will show the driver he or she is not going to make the next stop light. Have you thought of that program for here, or do you have it in effect?

**Mr. Gilbert:** Yes, we have certainly thought about it.

**Mr. Eakins:** Is it a good program?

**Mr. Gilbert:** In many ways it is the same with traffic engineers as it is with lawyers; there are as many opinions as there are traffic engineers.

**Mr. Eakins:** I thought of it the other night in our estimates when someone—I think it was the member for Windsor-Sandwich (Mr. Wrye)—was talking about a busy intersection at which people were running the light and this type of thing. In my brief experience, I found it certainly slows you down because you know you are not going to make the light.

**Mr. Gilbert:** There is a delayed red—

**Hon. Mr. Snow:** We have the signals now on certain intersections or on certain curves on highways where a sign will come on and tell you if you are travelling too fast.

**Mr. Eakins:** Yes, there is one at the top of the Don Valley Parkway.

**Hon. Mr. Snow:** There is one leaving Highway 403 at the turnoff to the Queen Elizabeth Way to go to Niagara. There is another on that curve at Gravenhurst, where you come off the four-lane divided Highway 11 on to the old Highway 11.

**Mr. Eakins:** Do you find that is an effective approach?

**Hon. Mr. Snow:** Oh, yes; before we put those signals in at Gravenhurst there were continual complaints and accidents. Lumber trucks were coming around that curve too fast and rolling upside down into boulevards. Since we put in those "Too Fast" signs we have not had that type of occurrence.

**Mr. Eakins:** So you do not see a great deal of advantage to the advanced amber lights such as they have in Victoria and some of those places?

**Hon. Mr. Snow:** In certain circumstances. We have one on Highway 7 going through Woodbridge, if you are familiar with that.

**Mr. Eakins:** I do not know that area too well.

**Hon. Mr. Snow:** It is a great part of the country. If you come down Highway 7 you go through the Woodbridge hollow.

**Mr. Eakins:** Is it effective?

**Hon. Mr. Snow:** Islington Avenue crosses right at the bottom of the hollow, right where the house of a former member of the Legislature, Lex MacKenzie, is located.

**Mr. Gilbert:** Are you talking about the flashing amber or the delayed amber with the arrow?

**Hon. Mr. Snow:** No, he is talking about forewarning lights, the ones they have in British Columbia. We have signals on Highway 7 to warn the people there are stop lights ahead and they come on in advance. The problem there was with trucks coming down those hills. There is a big hill the other side and they would tend to run the light, if they could at all, rather than stop, lose momentum and then crawl all the way up the other side. We have put those warning lights back on the highway and the problem has been much less since.

**Mr. Eakins:** I was just asking to see if there was an advantage to it at some intersections.

**Hon. Mr. Snow:** Yes, on certain intersections. I have been in BC and I noticed those. They tend to use them on level roads.

**Mr. Eakins:** This one was on a level road.

8:30 p.m.

**Hon. Mr. Snow:** I cannot see a great advantage to them under normal circumstances. They no doubt have a cost-revenue payback in specific instances where there is a problem, on a hill for example.

**Mr. Eakins:** That is all I have for now.

**Mr. McKessock:** I have a supplementary on this safety area. When I am coming into Toronto and it is snowing I get the feeling a lot of people are not aware of the danger of driving on snow-covered roads.

**Hon. Mr. Snow:** We send them all up to Huron and Bruce and so on to get their experience.

**Mr. McKessock:** That is a good idea. They scare the blazes out of me when I come down here and they do not slow up.

Regarding your traffic signs, I know on some of them you have a speed limit of 100 miles an hour and you say "Reduce speed when wet."

**Hon. Mr. Snow:** It actually says 100 kilometres.

**Mr. McKessock:** Yes, 100 kilometres, I am sorry.

**Mr. Eakins:** I want you to know that Ontario's metric act was passed in 1978, for



those who do not know we have a metric act in Ontario. It is not all federal.

**Mr. McKessock:** That is why I have been getting all these speeding tickets. The signs say "100 kp/h. Reduce speed when wet." I was wondering whether you could actually put "Speed limit 80 kilometres per hour when wet or snow-covered."

**Hon. Mr. Snow:** I do not know. You are closer to God than I am, but I do not know how you establish that type of thing. Every road condition has a different situation.

**Mr. McKessock:** That is right.

**Hon. Mr. Snow:** To say 80 when wet or 60 when snowy or 40 when icy; it is like the situation the other day when they had a lot of problems with 120 vehicles, or whatever, piling up east of Toronto in the fog. People phoned me and wanted to know what I was going to do about it.

**Mr. McKessock:** I know it is very difficult.

**Hon. Mr. Snow:** When you drive into the fog at 100 kilometres an hour and you cannot see where you are going, you can expect trouble.

**Mr. McKessock:** Yes, it is very difficult. However, it bothers me a bit that they do not slow down when there is snow on the road.

**Hon. Mr. Snow:** That usually happens only during the first snow storm of the fall.

**Mr. McKessock:** It happens every time it snows.

**Hon. Mr. Snow:** No.

**Mr. McKessock:** Until the salt gets into it.

**Hon. Mr. Snow:** No, normally it happens during the first snowstorm you get in the fall when people are not used to snowstorms. Once they have driven on snow-covered roads for a day or two they know it is winter and they settle down and drive appropriately.

**Mr. Gilbert:** I think we have more problems with white-outs than we do with snowy roads.

**Hon. Mr. Snow:** One cannot predict white-out conditions. We had one in Oakville a year and a half ago, or whenever, and it was a terrible situation. We had this white-out condition, which moved in off Lake Ontario with no warning, nothing, and it covered an area of three or four miles in Burlington and Oakville and nobody could see anything. All of a sudden, we had 100 vehicles piled up in a mess.

**Mr. McKessock:** Yes, I know. I have been in white-outs and I know the speed limit is zero in some of those cases.

I am thinking more about coming along Highway 427 or the Queen Elizabeth Way where you do not usually get white-outs but you do get snow on the roads the odd time.

**Hon. Mr. Snow:** You get white-outs there too.

**Mr. McKessock:** I realize that "Reduce speed when wet" warning is of some value, but it seems to me you have to keep changing it to get people to have another look at it. If they see a new sign—

**Hon. Mr. Snow:** As we are putting in this freeway management system there will be a certain number of the changeable message signs across the highway. We have been experimenting with those. The first one was put up in Mississauga. It was an experiment between Transport Canada and ourselves, where the computer in the Ontario Provincial Police station can change the message on the sign. It can say, "Slippery when wet," "Slippery when snowy," "Do not drive when snow over four feet deep" and things of this type.

**Mr. McKessock:** Maybe now you are getting around to what I was thinking about. That might be a good idea.

**Hon. Mr. Snow:** We are putting those signs in and there will be more of them. We are putting them in at the Burlington Skyway and on Highway 401 north of Toronto. They warn drivers if there is a traffic blockage in the centre lane, left lane, right lane and this kind of thing.

**Mr. Chairman:** I understand Mr. Johnston has an answer to Mr. Samis's question.

**Mr. Johnston:** Yes. With regard to the major expenditure areas in transportation technology and energy, the largest is with OC Transpo in Ottawa-Carleton for the conversion of the buses to propane. That is around \$450,000 this year.

The second largest is with the city of Sudbury, where we are introducing a fleet management system for the entire city fleet. The third is with the Ontario Research Foundation, which is working on the conversion of heavy-duty truck engines from diesel to propane.

The rest are somewhat below that. There is one with the Elgin county school board for the demonstration of NGV, natural gas for vehicles, on some school buses. There is now a recent one from Hamilton, where the Hamilton Street Railway Co. wants to get into some natural gas conversions. Then, as the minister mentioned, there are DriveSave and TruckSave and things of this nature.

**Mr. G. I. Miller:** Getting back to the maintenance of main highways such as the



Queen Elizabeth Way, we received some correspondence with regard to the delays and the time involved in traffic backups because of cutting down to one and two lanes, particularly in busy times.

I can recall when they were replacing a couple of culverts on the QEW. They seemed to take quite a long while in getting those jobs completed and it created quite a traffic jam. For anybody who has to commute back and forth on a regular basis, there is a delay in travelling time.

What is the policy as far as major repair jobs are concerned; do you have any special policy?

**Hon. Mr. Snow:** We have special studies on scheduling. We try to schedule the work in the least offensive times. On the other hand, we have a limited construction season in Ontario and have to do this work during the summer season. Unfortunately, that tends to conflict with tourist traffic, although the traffic jams tend to be fewer in July and August than they are in June or September because of the number of our own people who are on holidays and not commuting.

There are fewer traffic jams during the summer, when the tourists are with us, than there are once Labour Day is over and everybody is back at school and work.

**Mr. Gilbert:** All our contracts have either the number of working days granted or a completion date. The bridge replacements that we make, particularly in the Highway 401 area—

**Hon. Mr. Snow:** What Mr. Miller is referring to are the two culverts out at the other side of Highway 427. We knew they needed maintenance. They were deteriorating. We could tell that. We had to strip the asphalt off them and so on, and when we got down into them—those are a couple of culverts Mitch Hepburn built—they were in pretty bad shape.

**Mr. Eakins:** In other words you did not have to replace them in the meantime.

**Hon. Mr. Snow:** We had to replace the whole deck; and we did not know this, we thought we had only to do repairs. When we got it dug out we had to remove the whole deck, design and order reinforcing steel and replace the deck. That is what took longer than was anticipated with that job.

**Mr. G. I. Miller:** Are you trying to do those contracts in the off-hours? I noticed them working at odd hours.

**Hon. Mr. Snow:** Oh, yes; when jobs can be done in the off-hours you see them out there working all night with the lights on. There is certain work, however, that you cannot do in the

off-hours. It is pretty hard to do paving work. You can do structural work in the off-hours by setting up lights. With a moving fleet of paving contractors, however, it is pretty hard to do in the off-hours.

**Mr. G. I. Miller:** I believe some paving was done on those jobs.

**Hon. Mr. Snow:** There was, in restricted areas.

**Mr. G. I. Miller:** I might add that they did an excellent job, stripping off and resurfacing without changing the contour of the highway. I commend the minister on that. I believe you have done that on Highway 59, in our area; they peeled it off and recycled the pavement. I guess that is why I was wondering what the saving was.

What about the speed limits for the truck industry? I noticed that they run—

**Mr. Samis:** On a point of order, are we talking only about planning and research on these questions?

**Mr. Chairman:** No.

**Mr. Samis:** Are we straying a little?

**Mr. Chairman:** We are beginning to stray a little.

8:40 p.m.

**Mr. G. I. Miller:** Is that not planning?

**Mr. Chairman:** I think we can probably find something else we can fit that into.

**Mr. Samis:** Maybe under the safety vote or something later. I suggest we are straying here.

**Mr. G. I. Miller:** Do you think so? Okay, I will take one step further. Were we not discussing propane and natural gas research? Does it come under that?

I would like to follow up. How many vehicles are using propane now? Do you have a tally on that? I guess the second question is, will they be paying tax eventually to provide good roads and for the use of the highways?

**Hon. Mr. Snow:** As of now, according to the legislation, propane is not taxed as an encouragement to people to use propane. I am asked this question many times. I suppose if there was a very large swing to propane or to compressed natural gas, the Treasurer would certainly start to feel the—

**Mr. Eakins:** Especially Frank; ad valorem Frank.

**Hon. Mr. Snow:** —reduction in revenue; but at this moment the propane-powered vehicle is exempt from sales tax and propane is exempt from road tax.

**Mr. G. I. Miller:** How many vehicles are using it?

**Hon. Mr. Snow:** I understand we have about 40,000 vehicles now.

**Mr. G. I. Miller:** On propane? What about natural gas?

**Hon. Mr. Snow:** Very limited; I doubt if there are 100 in demonstration. The region of Hamilton is considering a demonstration project using compressed natural gas for buses. That is in the discussion stage. It has not started. As for propane, many of the service stations are starting to make propane available. It is perhaps more suitable for the fleet operator than the individual with an automobile who travels around and does not know where all the propane stations are.

For the fleet operator, propane is working out very well. I am thinking of Bell Canada or Sears or some company that has 100 or 200 vans that do not travel long distances and come back to home base every night for storage and refuelling.

**Mr. G. I. Miller:** What about the safety factor, or safety checks? I believe we got correspondence recently that said it is going to be an added cost. What about safety-check depots and the cost of service?

**Hon. Mr. Snow:** We are calling now for a safety inspection certificate on all propane vehicles. That would become effective on April 1, 1985. All vehicles burning propane will require an inspection certificate at that time. It will say the propane installation has been checked by a mechanic who is appropriately certified for propane installations.

**Mr. G. I. Miller:** If it has been recently installed is that not adequate?

**Hon. Mr. Snow:** No.

**Mr. G. I. Miller:** They still have to go through the safety check. What is the cost?

**Hon. Mr. Snow:** I do not know what it costs.

**Mr. G. I. Miller:** There is not a set fee?

**Hon. Mr. Snow:** No. How do you set a fee? You do not know what is wrong with the thing until you check it. They may check it and there is nothing wrong. If it is a perfect installation, all they have to do is check it. There may be other installations where they find some error has to be corrected. It is just like getting a safety inspection certificate on a used car you wish to transfer. There is no set cost on that. It depends on what has to be done to the vehicle to bring it up to the standard.

There has been no serious safety problem with propane vehicles.

**Mr. G. I. Miller:** There have been no accidents?

**Hon. Mr. Snow:** I would not say there have not been any. There have been one, two, three, or whatever. There was a taxi that caught fire.

**Mr. G. I. Miller:** While filling?

**Hon. Mr. Snow:** No, driving along the highway somewhere. Basically, it has been a problem of the kit being improperly installed, allowing propane to leak into the atmosphere.

**Mr. G. I. Miller:** Are you still using your car? Is it still operating on propane?

**Hon. Mr. Snow:** It is still being operated in the ministry.

**Mr. G. I. Miller:** It came originally from the Ford—

**Hon. Mr. Snow:** It was the first factory-built propane car. It worked very well. There have been no problems with it whatsoever.

**Mr. Eakins:** Do you still have it?

**Hon. Mr. Snow:** I do not particularly have it, but it is still in the fleet.

**Mr. Eakins:** And is it satisfactory?

**Hon. Mr. Snow:** Yes. There have been no problems with it whatsoever, certainly for the two or more years we used it. I drove it a lot personally. After the normal 6,000 kilometres or whatever, when the oil or the spark plugs are checked, they would change them and they would be perfectly clean. That is one of the savings from burning propane. It is very clean. You do not get fouling in the plugs or motor oil. That saves maintenance costs in addition to saving fuel.

The only problem I had personally with the vehicle was not knowing exactly where to get it refuelled. Locally, there was no problem. The local Hornby service station had propane around behind. One knew where it was and would pull around and get the vehicle filled up. We had propane at our own garages on Bay Street and in Downsview.

However, one day I went to Brockville or someplace and there was not enough range in the tank to return. The police cruisers in Brockville use propane and were able to help us out. There is a book that tells one where all the propane filling stations are, but a lot of those are only open Monday to Friday, 8 a.m. to 5 p.m..

I am talking about four or five years ago. Now there are a great many more. We have encouraged all the service centres along Highway 401 and what not to include propane. I notice a lot more stations now have propane, so I think that



part is a much smaller problem. From my standpoint, when one was out attending a meeting or doing something, if he was on his way home at midnight and needed propane and did not know where to look for it, it was a bit of a problem.

**Mr. G. I. Miller:** What was the range?

**Hon. Mr. Snow:** I do not know. I remember going to Owen Sound one day and coming back. I was looking all along the highway for a propane filling station and could not find one. I came the last 50 or 60 miles on empty. I may have had another 200 kilometres in the tank but I did not know. The tank was reading empty.

**Mr. McKessock:** If you are up there again you can get it at my place.

**Hon. Mr. Snow:** The road we were on does not go through there.

**Mr. McKessock:** Get it in Durham then.

**Hon. Mr. Snow:** We could not find any visible outlet at that time. From Hillsburgh in, we were on E all the way.

**Mr. G. I. Miller:** I have had some requests about putting up small signs pointing to propane stations, but you will not permit that. If you would, you might have seen one that particular night on the road.

**Hon. Mr. Snow:** We do permit markers. Along Highway 401, for instance, we have signs indicating where there are off-highway propane service centres.

**8:50 p.m.**

**Mr. G. I. Miller:** I guess the final question I would like to ask is what is the policy on lighting intersections with poor visibility? We have had several requests. One that really comes to mind is the St. Johns regional road, which is Regional Road 3 in the region of Haldimand-Norfolk and Highway 24, known as St. Johns and 24. It is a wide intersection. It has two turning lanes which makes it extra wide. There is a restaurant just down from the corner. It is always difficult to locate the exact location. They wanted to put lights on it, but the minister does not seem to have a policy and did not want to—

**Hon. Mr. Snow:** Yes, we have a policy.

**Mr. G. I. Miller:** Just a moment.

Interjections.

**Hon. Mr. Snow:** You said we did not have a policy. We sure do.

**Mr. G. I. Miller:** You do not have got a policy about putting in lights.

**Hon. Mr. Snow:** Yes, we do.

**Mr. G. I. Miller:** The hydro—

**Hon. Mr. Snow:** We may not have a policy you agree with, but we have one.

**Mr. G. I. Miller:** Just hold your thing. We have all kinds of hydro, but we really cannot—

**Hon. Mr. Snow:** Do not get your blood pressure all riled up there.

**Mr. G. I. Miller:** It is not my blood pressure. I think yours is getting up. I think a dusk-to-dawn light is worth \$85 or \$90. The poles are there and the people there would put them up themselves. It is just a matter of running a little line to put in the hydro to it. Do you not think it would be beneficial if you would kindly encourage that, particularly when the municipalities and the community are supporting it extensively?

Again, the minister says no, no way. Would you maybe give that a little further consideration? From a safety factor and ease of travelling, it would be in the interest of safety. It could be a pretty good facility for the highway system.

**Hon. Mr. Snow:** We have a warrant system for traffic signals, whether an intersection qualifies for traffic lights or stop lights or whatever you want to call them, and also whether an intersection qualifies for illumination. There are certain warrants given for certain different situations on a particular interchange.

When we get a request for lights at an intersection it depends upon traffic volume on the main road, traffic volume on the side road, accident experience and available visibility. A great many things are taken into consideration. We will review that intersection and apply the appropriate warrants to it. If it warrants lights, there is no argument, we put them up. If it does not warrant lights, we have to have some instances where we say no. If a municipality—

**Mr. G. I. Miller:** I am not talking about stop lights.

**Hon. Mr. Snow:** I am not talking about stop lights either. I am talking about illumination.

**Mr. G. I. Miller:** It is illumination.

**Hon. Mr. Snow:** I have been fighting with my colleague the Minister of the Environment (Mr. Brandt) for the last six weeks over a particular intersection in his riding where he thinks there should be lights and we say it does not need lights.

We say if a municipality feels strongly for other reasons that it wants lights at a particular intersection, then we will grant an encroachment permit for a municipality to install illumination.



**Mr. G. I. Miller:** I just want to find out—

**Hon. Mr. Snow:** Illumination as a guide for pedestrians or whatever is a municipal responsibility, not ours.

**Mr. Gilbert:** If the municipality is prepared to put them—

**Mr. G. I. Miller:** I think the Ministry of Transportation and Communications, the city of Nanticoke, the region of Haldimand-Norfolk—

**Mr. Samis:** Are you not straying a little bit from research?

**Hon. Mr. Snow:** This is research.

**Mr. G. I. Miller:** This is research.

**Mr. Samis:** It sounds as if you are bringing up all your riding cases again. Very clever.

Interjections.

**Mr. Samis:** You have every road in the bloody county covered, the Queen's roads. Vote on this vote now.

Interjections.

**Mr. Eakins:** May I ask for clarification about highway safety? What jurisdiction do you have—

**Mr. Chairman:** Highway safety is in the next vote.

**Mr. Eakins:** No; we are talking about research and policy planning. We are talking about highway safety.

**Mr. Chairman:** All right.

**Mr. Eakins:** Have you any jurisdiction over entrances and exits for regional roads with respect to safety?

**Hon. Mr. Snow:** Not for the regional roads, but we do for our provincial highways. You would not want us to interfere with Victoria and Haliburton.

**Mr. Eakins:** This is about the regional municipality of Durham. The only reason I mention it is that at the brow of a hill with a double solid line Durham region has put an entrance-exit at one of its highway yards. It is at the poorest place you have ever seen, at the junction of regional roads 21 and 23.

**Hon. Mr. Snow:** We control all entrance permits. You fellows all write to me when someone wants a separation to say dear old uncle George wants to sell his lot to his crippled son Johnny.

**Mr. Eakins:** Mr. White in Huntsville turns down people because they are on the curve of a road or the brow of a hill. Then I see Durham region has an entrance right on the brow of a hill with a double solid line.

**Hon. Mr. Snow:** We do not have jurisdiction over regional or municipal roads. We only control the entrances on our provincial highways.

**Mr. Eakins:** There is a double standard and it is not fair.

**Mr. G. I. Miller:** Mr. Chairman, before I was so rudely interrupted—

**Mr. Eakins:** You have one road left.

**Mr. G. I. Miller:** This is under policy and research. I wonder whether the minister might reconsider it because it had a lot of local support. They felt that—

**Hon. Mr. Snow:** I do not doubt it did.

**Mr. G. I. Miller:** I always thought your policy was to prevent an accident before it happened.

**Mr. Samis:** He is sneaking it by again.

**Mr. Chairman:** I think you have made your point, Mr. Miller.

**Mr. G. I. Miller:** They put reflectors in the road and that has improved it somewhat, but it is not as good as a light. I do not understand why we do not want to sell some of our hydro.

**Mr. Chairman:** I am sure the minister will take that into consideration.

Mr. Newman, this should be on policy and research. We are getting tough.

**Mr. Newman:** My question is on the research aspect of highway safety. I follow Highway 401 every week and several times I have found a fairly long lineup of cars with a repair truck or some other—

**Hon. Mr. Snow:** It is called a traffic jam.

**Mr. Newman:** I am trying to give you a way to get around it and alleviate the problem. My suggestion is that on an experimental basis there should be an extension aerial with a light on top that can go above and beyond the height of the vehicle or truck. When traffic is stalled, cars half a mile down the road would notice a problem ahead. They would decide to switch to another lane instead of staying in one lane and causing a tremendous traffic jam. I have been stopped several times on 401 and I have noticed vehicles that could easily have been outfitted with a telescopic aerial.

It could be retractable, with a blinking light on the top of the aerial. The light could blink or, if you wish, it could stay on on a permanent basis while the truck is either stopped or travelling fairly slowly, creating a greater traffic jam than there would be under normal conditions. Have you ever tried anything like that?

**Hon. Mr. Snow:** Certainly. I do not know where you have been, Mr. Newman, but when we were doing maintenance on roads—

**Mr. Newman:** I have never seen one on the 401 and I travel it at least 400 times a year.

**Hon. Mr. Snow:** You must travel it at 5,000 feet. I travel 401 and the Queen Elizabeth Way as much as anyone and every place where we are doing maintenance, such as guardrail maintenance or a cleanup of the sand and junk along the side of the road, we have a trailer or vehicle follow along behind with a big elevated sign with a flashing arrow to warn people to move from that lane. It will be half a mile back from where the maintenance crew is.

**Mr. Newman:** I have only seen that two or three times a year. I am telling you my own experience.

**Hon. Mr. Snow:** We do that for almost every project.

**Mr. Newman:** I would not raise it if I had not gone through being delayed for a substantial period of time. It is a simple answer to the problem.

9 p.m.

**Hon. Mr. Snow:** That answer really does not do a hell of a lot of good. If there are two lanes and there is only one lane to get by, then cars have to merge into the one lane. On the Queen Elizabeth Way three lanes have to merge into two. We have the vehicle away back behind with a flashing arrow and maybe a trailer back even behind that with another flashing arrow. You can see them all the time out here.

**Mr. Newman:** I do not disagree with what you are saying on that.

**Hon. Mr. Snow:** It is like putting toothpaste through the tube. You have to squeeze lanes of traffic together into fewer lanes to get by that obstruction.

**Mr. Newman:** A couple of years down the road your people are going to realize what I am trying to tell you and you will implement it.

**Hon. Mr. Snow:** We already have. We are way ahead.

**Mr. Newman:** You do not have what I am suggesting, which is a simpler answer to what you have. It would be nothing to have a telescopic aerial with a fairly good light on top on all those vehicles, or as many vehicles as you wish to have. All the operator would have to do is press a button and the aerial would extend and the light would blink on and off, indicating to a

driver coming along, "Get out of this lane" well in advance of a jam developing.

**Mr. Gilbert:** We use our large trucks with the big flashing signs and what have you for the protection of the workers as well. That is very important. That is why we have them.

**Mr. Newman:** I do not disagree with what you are saying. I think you are right there. I am giving you another answer to the problem. With yours, there is generally some type of work going on. With this, there may not be work. Very often there may simply be a stalled vehicle on the highway.

If something happens and it cannot pull over to the side of the road sufficiently, there will be a jam a mile long, if not longer than that. If that vehicle were equipped with a telescopic aerial at the top of which there was a blinking red light, one would know well in advance.

**Hon. Mr. Snow:** Are you suggesting all vehicles on the road should have that?

**Mr. Newman:** Not in the least. I am referring to the kind of vehicles your ministry uses.

**Hon. Mr. Snow:** No. You are talking about any vehicle that may be disabled.

**Mr. Newman:** You do not have what I am suggesting but you will implement it.

**Mr. McKessock:** Before Bernie leaves here.

**Mr. Chairman:** One final question in the research field. Has any research been done into a better type of black paint to cover white dotted lines on the highway?

**Hon. Mr. Snow:** In many areas we paint them over with black paint or scrub them off with a sandblaster or a grinder, which are the two ways of getting rid of existing white lines; but no matter which way we do it, when the lights of a vehicle shine on that, if it is black paint over white, you get a reflection from the black paint in your lights and it still gives you the indication of a line. Even where we grind them off with a grinder, it gives a different texture to the asphalt.

One of the things we do now, where we are putting on temporary lines for detours and what not, is to use tape. Instead of painting it on we use a plastic tape, a Scotch tape type of thing, that we roll on. When we are through with it we peel it off; if the kids do not get there first and peel it off.

I especially notice what you are talking about out on the Queen Elizabeth Way where we are putting in detours and what not. We paint on the lines, then move the traffic back, paint over those lines and put on new lines. When you drive along there at night with your lights shining on them you have all these lines showing. As of this



moment, no matter what we do, we do not have a total answer. The closest answer is this temporary tape that can be peeled off, but it causes problems. We go along there some days and find it is all rolled up in the wind. It does not stick properly sometimes.

**Mr. Eakins:** So there is no way of covering those over after you change directions.

**Hon. Mr. Snow:** Resurfacing is the only answer. If we put a couple of inches of asphalt over them you do not see the damned things any more.

**Mr. Eakins:** Have there been any accidents because of that?

**Hon. Mr. Snow:** Yes. I cannot tell you how many but I know there have been some. I do not know of any serious ones but I know of fender benders where people go around—

**Mr. Eakins:** Following the lines.

**Hon. Mr. Snow:** —following the wrong set of lines.

**Mr. Gilbert:** We must try using a lower quality of paint sometimes.

**Mr. Chairman:** Shall vote 2802 carry?

**Mr. Samis:** I have a final question, although I know I run the risk of provoking the member for Haldimand-Norfolk (Mr. G. I. Miller) into a whole new series of questions about his riding. However, the member for Timiskaming (Mr. Havrot) and I are both quite interested to know the answer to one simple question: how many people do you employ in your policy research and planning division? I notice the salaries come to \$6 million.

**Hon. Mr. Snow:** I do not have those figures.

**Mr. Gilbert:** I think we have it right here. Yes, 160; 48 in policy planning, 79 in transportation technology and energy, and 33 in research.

**Mr. Samis:** Thank you.

Vote 2802 agreed to.

**Mr. Chairman:** We are going to run out of time if we spend an hour on each one. We just do not have that many hours left.

Is there any particular vote you would like to move to quickly? We have safety and regulation, provincial transit, provincial transportation, municipal transit and communications still to do.

**Mr. Samis:** I would suggest 2803 and 2805.

**Mr. Chairman:** Vote 2803 is the safety and regulation program.

**Mr. Eakins:** I have a couple under 2808, municipal transit program.

**Mr. Chairman:** Do you want to do 2803 now? We will try to move through it quickly if we can.

**Mr. Samis:** May I suggest we put a time limit on it so we do not spend another hour, thus leaving out the other two.

**Mr. Chairman:** That is why I want to know the ones we do not really want to spend any time on.

**Mr. Samis:** Why do we not put a half-hour time limit on it?

**Mr. Chairman:** We only have another hour and 10 minutes before we get called in for the vote.

**Mr. Samis:** Less, if Mr. Laughren and Mr. Mancini arrive.

**Mr. Chairman:** If they come in, less than that; that is right. Fifteen or 20 minutes on this one?

**Mr. Samis:** This one might take more than that.

**Mr. Chairman:** Let us start off and then play it by ear.

On vote 2803, safety and regulation program:

**Mr. Samis:** I have a series of questions. First, let us start out with the trendy question of the use of headlights, etc. Can you give me some information on what sort of research is going on?

I know you are studying the situation. I know certain people are now pushing for it. Can you give me an idea of what research is going on in Canada on that topic?

**Hon. Mr. Snow:** I cannot tell you the research going on in all of Canada.

**Mr. Samis:** Are you doing any yourself or is it the feds who are doing it?

**Hon. Mr. Snow:** The federal government certainly is doing research on this. It has been discussed at meetings of the Canadian Conference of Motor Transport Administrators, which involve all the provincial transport ministers and the federal minister. We have an amendment before the House now—which may or may not get passed this session—that would add two hours to the required time for lights to be on in each 24-hour period.

Also, as a matter of interest, the Ontario Trucking Association has announced its intention to have truck lights left on all the time while running. I have not noticed any great difference on the highways in the last few days.

**Mr. Samis:** Neither have I.

**Hon. Mr. Snow:** A number of the bus companies do this. It is something that may very



well come about in the not-too-distant future. It would have to be phased in by the Department of Transport as part of the Canada Motor Vehicle Safety Act requiring running lights.

Rather than using the actual headlights there would be a somewhat lesser volume of light that would have less drag on the power plant of the engine and thus have less effect on fuel efficiency. When an engine is generating electricity it is using extra fuel.

**9:10 p.m.**

Then, of course, there is the matter of having automatic equipment that will turn the lights off when you turn the ignition off, otherwise the Ontario Motor League and others would have a ball charging dead batteries.

**Mr. Samis:** It would get them a lot of new members that way, though.

**Hon. Mr. Snow:** Yes.

**Mr. Samis:** May I ask you about driver testing? Is it still your intention to virtually eliminate driver testing on the streets in Toronto by next year?

**Hon. Mr. Snow:** No. We have one offroad driver examination centre, the John Rhodes Driver Examination Centre, which is doing the testing in the west end of Metro. We have tentative plans for a similar centre in the east end of Metro, but it is not cleared to go ahead yet; we have not made a decision on it. We are still assessing the benefits of the John Rhodes centre.

**Mr. Samis:** Last year, I recall, there was a fair amount of controversy about the John Rhodes centre and the quality of the testing. What is your view of it this year? Have any changes been made?

**Hon. Mr. Snow:** I have not heard any controversy.

**Mr. Samis:** No. I realize that this year there has not been. I assume people are getting used to it.

**Mr. Gilbert:** The results certainly are no different. In fact, I would say the failure rate is perhaps even higher there than in some other areas.

**Hon. Mr. Snow:** We are convinced we can give as good a test in that offroad centre as we can out on the roads, where we would be messing up the traffic in heavily travelled areas.

**Mr. Samis:** I know you are convinced. Obviously, you spent the money so you have to defend it.

**Hon. Mr. Snow:** I do not think that is very nice.

**Mr. Samis:** I realize that, but that is part of it.

**Mr. Gilbert:** No, it is not.

**Mr. Samis:** Sure it is; you are the government.

**Mr. Gilbert:** We did a lot of work on the offroad centre, which has been in place for some years, and nothing we have seen to date has convinced us in any way—

**Mr. Samis:** But surely in such a vast metropolis as Toronto it is hard to measure the actual benefit.

**Mr. Gilbert:** You have to look at the failure rate.

**Mr. Samis:** Yes, you can measure that onsite. I am saying that beyond that, once they have their licences it is awfully hard to measure value or effectiveness. The failure rate onsite you can measure, I agree; you can measure and evaluate the testing. The results with the people who go through there you cannot evaluate.

**Mr. Gilbert:** As far as the attitude of the driver is concerned, you can only measure so much when he gets out of that centre. You can test a person at that centre, on the street or wherever it is. What counts is the attitude he has when he leaves.

**Mr. Eakins:** In connection with that, are you extra tough in testing young people who are getting their licences for the first time? There seem to be a hell of a lot of young people who are turned down on the first try. Is that deliberate, or are they just not passing?

**Hon. Mr. Snow:** I do not think we are any tougher. I have had some old people come in who have been turned down five times.

**Mr. Eakins:** I know a lot of young people have been turned down. I just wonder whether there is any reason or whether they are just not passing.

**Hon. Mr. Snow:** There is something like a 30 per cent failure rate. I am not sure; it is in that neighbourhood. We monitor the failure rate in the different examination centres as a way of seeing whether we have a bunch of toughies who are doing the examining in one centre in comparison to those in another.

**Mr. Eakins:** Do you find it varies much?

**Hon. Mr. Snow:** I think everyone gets treated equally. My daughter got turned down the first time she tried.

**Mr. Samis:** On orders?

**Mr. Eakins:** Did you have a hand in that?

**Hon. Mr. Snow:** No, I did not. She passed the second time.

**Mr. Samis:** The Insurance Bureau of Canada came out with a little booklet called Viewpoint dealing, as it says, with strategies for saving young lives. It came to a variety of interesting conclusions and I would be interested in the minister's comments on some of them.

The first deals with the legal drinking age; we will leave that out.

The second deals with the licensing age; we will not rehash that one.

The third is that it favours the following restrictions: (a) probationary licensing for young drivers up to 18 at least; (b) prohibiting drivers holding probationary licences from driving between 8 p.m. and 4 a.m.; (c) prohibiting probationary licence holders from carrying more than one passenger; (d) prohibiting probationary licensees from driving on high-speed, multi-lane—four lanes and more—highways; and (e) suspending probationary licences for a period of up to one year for breach of any of the above constraints.

May I ask the minister if he would react to those?

**Hon. Mr. Snow:** I do not agree, really; and I have seen those recommendations. We have implemented the probationary licence system, as you know, and I think it is a very good system. It brings to the attention of the young driver by way of a letter from the ministry on his or her first offence and—

**Mr. Samis:** How about their other ideas though, such as prohibiting probationary drivers—

**Hon. Mr. Snow:** I am coming to that.

**Mr. Samis:** Are you going to go through all five?

**Hon. Mr. Snow:** I am coming to that.

**Mr. Samis:** Good.

**Hon. Mr. Snow:** I just do not agree with any of them.

**Mr. Samis:** Not one?

**Hon. Mr. Snow:** No.

**Mr. Samis:** Why? Let us take the second one.

**Hon. Mr. Snow:** Rhyme them off.

**Mr. Samis:** You said you were going to go through all five of them.

**Hon. Mr. Snow:** I just said I do not agree with any of them.

**Mr. Chairman:** That includes the second one.

**Mr. Samis:** The second one is, (b) prohibiting drivers holding probationary licences from driving between 8 p.m. and 4 a.m.

**Hon. Mr. Snow:** I do not see how you can do that as long as the responsible young driver is driving properly. What is the difference between 8 p.m. and 5 p.m.?

**Mr. Samis:** Why do you think they would come to a conclusion such as that? I am sure they have done a fairly detailed study of the accident rates and the times, etc., as your people do.

**Hon. Mr. Snow:** I never try to guess at how people have come to conclusions on the things they recommend.

**Mr. Samis:** You would never accuse this bunch of being a bunch of wild-eyed radicals.

**Hon. Mr. Snow:** I would never be able to understand how your party comes to any of its conclusions.

**Mr. Samis:** I think they quote the Insurance Institute for Highway Safety in their October 5, 1982, report which concluded that night-time restrictions on young drivers substantially reduced crash involvement. Reductions were as high as 69 per cent in Pennsylvania, 62 per cent in New York, 40 per cent in Maryland and 25 per cent in Louisiana. That is why they came to a conclusion such as that.

You do not put any value—

**Hon. Mr. Snow:** Nobody tried to convince me of that here and I am not about to recommend we introduce it.

The other recommendation was limiting the young driver to one passenger in a vehicle?

**Mr. Samis:** Yes.

**Hon. Mr. Snow:** A lot of the experience a young driver gets is driving the family car to church on a Sunday morning.

**Mr. Samis:** Most of them do not even go to church any more. Who are you kidding?

**Hon. Mr. Snow:** The odd one does.

**Mr. Samis:** That is a 1955 line.

**Hon. Mr. Snow:** Or going to the drive-in theatre.

**Mr. Samis:** Now you are talking.

**Mr. Chairman:** That is a poor example, too.

**Hon. Mr. Snow:** Or the Big Mac shop or whatever.

**Mr. Samis:** The Big Mac shop? What language.

**Hon. Mr. Snow:** Many of the experiences young people get are from going out and driving the car while the family is along with them. If you put a limit of only one passenger—

**Mr. Samis:** While the family is with them? They want the girlfriend with them or the gang



with them. They do not want the family near them. You know that. That is what they are pointing out.

**Hon. Mr. Snow:** That is the danger. I always get into more trouble driving with only one girlfriend with me at a time.

**Mr. Samis:** How many have you got?

**Mr. Chairman:** Accidents happen that way.

**Mr. Samis:** Do you reject the idea of prohibiting them from high-speed, multilane highways as well?

**Hon. Mr. Snow:** Yes.

**Mr. Samis:** Obviously, the fifth one would be redundant since you reject all the others.

**Hon. Mr. Snow:** In this part of the country it is pretty hard to get from A to B without driving on a multilane highway.

**Mr. Samis:** It can be done.

**Hon. Mr. Snow:** You need that experience on the multilane highway as well as you need the experience on any other highway.

**Mr. Samis:** After that progressive passage, may I ask you about the perennial question of motorcycles, which we discussed last year. The statistics are in again this year. There is some improvement in some areas; in others there is none.

Did you examine the proposals made by Gord Ronalds from St. Catharines? He had written to you. He deals with motorcycle driving program instructors.

**Hon. Mr. Snow:** He has an instructor program, yes.

**Mr. Samis:** Right. Some of his ideas were: to encourage people to take motorcycle courses by displaying posters in all examination centres and licence-plate issuing centres promoting the Canada Safety Council motorcycle driving program; that the ministry introduce a stratified licensing system whereby motorcyclists are licensed only to ride a motorcycle up to or equal the size of the motorcycle upon which they have been tested if they choose not to take the motorcycle course; that any person with a learner's permit not be allowed to renew it after 60 days, instead they must take a skill test in an examination centre.

9:20 p.m.

He talks about making the test a little more difficult and meaningful, which you have now moved towards; and that learners' permits be restricted to machines with a maximum displacement of 250 cubic centimetres. Have you given consideration to any of those recommendations?

**Hon. Mr. Snow:** Yes.

**Mr. Samis:** And? Did you reject them like you did the others?

**Hon. Mr. Snow:** No.

**Mr. Samis:** Are you going to move?

**Hon. Mr. Snow:** We are working on a number of these items. We have had a seminar with the motorcycle industry. I believe the gentleman you referred to was a member of that seminar. We thrashed over this whole matter of motorcycle safety for one or two days and are seeing what we can do. We have not advanced to the stage yet where I am ready to put legislation before the House.

Certainly, I have a great deal of sympathy with some of the recommendations you just read over, especially with regards to the size of the bike. I know you can get a licence on a 250 cc bike, go out and buy a 1200 cc bike the next day and go roaring down the highway at 150 miles an hour.

**Mr. Samis:** How much lobbying do you get from industry, if that subject comes up?

**Hon. Mr. Snow:** None.

**Mr. Samis:** They have not lobbied you at all against that one?

**Hon. Mr. Snow:** Not me.

**Mr. Samis:** No one in your ministry has been lobbied on that one?

**Hon. Mr. Snow:** I do not know. We have 9,000 people in the ministry. I cannot make guarantees about all of them, but my office and I personally have not had any lobby against those suggestions.

**Mr. Gilbert:** Certainly the staff has ongoing discussions.

**Hon. Mr. Snow:** I think we discussed these things during our leadoff.

**Mr. Samis:** Not these ones, no.

**Hon. Mr. Snow:** Do you remember me telling you about the Playboy and Penthouse magazines and all the fancy bikes they have?

**Mr. Samis:** I remember, yes.

**Mr. Gilbert:** I was saying that we have ongoing discussions, not only with the industry but with other groups concerned with motorcycles. Those have been progressing quite well. The minister mentioned seminars. From a ministry point of view, there are a number of things we are proceeding with which we hope will improve the motorcycle safety situation.

**Mr. Samis:** Last year, Mr. Leonard Smith said they were looking at three areas. One was upgrading the road test for class M licences, one



was the question of restricting the size of motorcycle, and the third was developing motorcyclist exposure data. What have you done on that?

**Hon. Mr. Snow:** We should get Harold Kivi up. Where are you Harold? I am not much of an expert on exposure.

**Mr. Kivi:** There are several studies under way in our safety office, in conjunction with the Canadian Conference of Motor Transport Administrators, which look at the things you are talking about concerning exposure. They have contracted their study and have a study completed by TIRF, the Traffic Injury Research Foundation, which is helping us out with it. Those reports are currently being reviewed with a view towards bringing in new legislation and systems for motorcycle licensing.

**Mr. Samis:** Since you are doing this in Ontario, is there any American data applicable or useful to us in terms of motorcycles?

**Mr. Kivi:** Yes, the TIRF study has looked at the experience of the United States and has included that in the final results.

**Mr. Samis:** You are not at the stage yet where you can draw any conclusions on the data?

**Mr. Kivi:** No, the study basically says there is very little relationship between the size of the bike and the licence itself. It is rather inconclusive, I must admit.

**Mr. Samis:** I have one final question. Can the minister tell us what sort of program the ministry is embarking on concerning median barriers? I have seen evidence of it in different parts of Ontario. How extensive a program do you have to install median barriers?

**Hon. Mr. Snow:** We have a very extensive program, but you are not going to see a median barrier down the centreline of every highway. The main emphasis is, of course, the rebuilding of Highway 401, and for any of the new highways we are putting in a very wide median or a median barrier.

The three points of emphasis are, first, the Queensway in Ottawa, where we are rebuilding it. We are putting a concrete barrier down the middle of the Queensway, adding the other lane.

We are doing the same on Highway 11 between Barrie and Gravenhurst. We are almost finished with that; we have one more contract, which is either out to tender or awarded right now, I cannot just remember. It is in that immediate stage anyway. In 1985 we will see that section completed right from Barrie, where the divided highway at Highway 400 joins to

Highway 11, up to Highway 11 at Gravenhurst, where it becomes a divided highway again. It will all have median barriers.

The third major trouble point where we are putting in a median barrier is Highway 115-35 from Newcastle to Peterborough.

**Mr. Samis:** Beyond the multi-lane highway, is your criterion based on the accident rate? Is that one of the considerations?

**Hon. Mr. Snow:** Offhand, I do not know of any place of any account that is not a multi-lane where we will be putting in median barriers. Curbs or singing medians go in in some places. Some places where we have four-lane undivided we have a painted median, which is basically just an extra four feet of asphalt painted out in the middle to give you that degree of additional clearance and safety from oncoming vehicles. I am not aware of any points—other than channelization of intersections with islands and so on—where we are really putting a barrier on nonfreeway-type applications.

**Mr. Eakins:** I had a couple of questions and some of them have been answered. In driving, I think one of the biggest offences, or at least irritations, are people who do not signal. Is that an offence?

**Hon. Mr. Snow:** It is.

**Mr. Eakins:** It is very seldom enforced unless there is an accident. Many, many people turning, especially—

**Hon. Mr. Snow:** There are charges for improper lane changes. An improper lane change is a change of lane without a signal.

**Mr. Eakins:** Are you not supposed to signal any turn?

**Hon. Mr. Snow:** Yes; but you are also supposed to signal if you change lanes. If you do not, you can be charged with an improper lane change.

**Mr. Eakins:** You never hear of anyone pulled over for that.

**Hon. Mr. Snow:** Oh yes.

**Mr. Gilbert:** We do not have the statistics here.

**Hon. Mr. Snow:** In the annual report—

**Mr. Gilbert:** Is it in here?

**Hon. Mr. Snow:** Do you have an annual report of the ministry? Not that one; it gives you statistics at the back of the annual report of every—

**Mr. Eakins:** I have not had a chance to look at that.

**Hon. Mr. Snow:** We will find it. Improper opening of vehicle door, improper approach, improper driving on divided highways, improper right turn, left turn—

**Mr. Gilbert:** They are all improper.

**Mr. Eakins:** When you say improper—

**Mr. Gilbert:** It is up in the thousands here.

**Hon. Mr. Snow:** An improper right turn is roughly 3,000; improper right turn in a multi-lane, 3,500; improper left turn, 4,500; improper left turn at an intersection, 3,723. That was 1982; it was 5,960 in 1983.

**Mr. Eakins:** So it is an offence if you do not signal.

**Hon. Mr. Snow:** Improper use of signalling devices, there was 71 on that; but improper lane change is what I am looking for.

**Mr. Samis:** Failure to signal a turn, 14,127.

**Mr. Eakins:** Okay.

**Hon. Mr. Snow:** If you go to the back of the binder, you will see how many charges were laid for every offence under the Highway Traffic Act. The highest one seems to be speeding: under 16 kilometres per hour, 419,590 people; from 15 to 30 kilometres, 250,000, and so on.

**Mr. Samis:** Where was Bob Nixon—

**Hon. Mr. Snow:** Bob Nixon was right in there; and Eddie Sargent was—  
Interjection.

**Hon. Mr. Snow:** McKessock has helped considerably to improve those statistics.

9:30 p.m.

**Mr. Eakins:** Sheila Copps has gone federal so those statistics should be down.

I have a question about the licensing of people who have had heart bypasses. At one time they would lose their licences, but now if they are able to pass they are able to keep them. What is the situation with that?

**Hon. Mr. Snow:** That is a higher class of licence; it is not a normal G licence. Basically, the only people who lose their G licences for health reasons are people with seizures and things of that type. If you are a transport driver or bus driver and have a heart attack, and you have an A, B, C or D licence, your licence is downgraded. I implemented a process a few years ago so that a guy can write in and appeal. We send him a kit and he has to get his family doctor or specialist to write a recommendation. They go before our medical review board.

Of the people who apply for kits to make an appeal, only about two thirds to three quarters are

ever heard from again. Often they go to the doctor and say, "I want you to write a report so I can get my bus driver's or class A licence back;" and the family doctor or specialist says, "I cannot recommend it." We never hear from them again. Of the ones that do come back with recommendations, about 75 per cent are successful in getting their licences upgraded. That is for heart conditions, diabetes and other medical reasons.

**Mr. Eakins:** Those who have had bypasses are in better shape than many people who do not even know they have heart conditions.

**Hon. Mr. Snow:** That could be; it is all taken into consideration. This is a new procedure I implemented three or four years ago. It has worked well. Before that, we had very rigid guidelines in the legislation and people were not willing to accept those rigid guidelines as gospel. Now we have implemented a review procedure. They have an opportunity to have their day in court.

If they are turned down, I seldom hear from them again. They accept the argument or review of the medical advisory committee. Quite a number of them do get reinstated. We monitor those who are reinstated. To my knowledge, we are not finding a higher level of accidents amongst them than other test groups.

**Mr. Gilbert:** It might be of interest that a number of provinces now have implemented a similar type of thing. When the minister brought it in, nothing was happening across the country. Since the minister brought in that policy a number of other provinces have followed the appeal procedure we have here.

**Mr. Eakins:** I think it was a good move. I know a number of people who have been successful on appeal. They have been able to go back to work, some until retirement; it has been fine.

**Hon. Mr. Snow:** He may not get everything he asks for. He may be downgraded from an A licence to a G because of his problem, and when he appeals he may be upgraded to a D. It does not give him back his tractor-trailer licence, but at least it gives him a licence to drive an ordinary truck.

Again, he may not get a B or C licence back for a bus or school bus, but he may be recommended for a D licence, which allows him to drive an ordinary truck.

**Mr. Eakins:** That is fine. That is all I have on that.

**Mr. Havrot:** Over the last several years, we have had an alarming increase in the number of



transports driving on Sundays along Highway 11, north of North Bay. I happened to be in Temagami one Sunday afternoon and we counted 130 transports coming through there.

From what I understand—is it the Lord's Alliance Act, or something like that?

**Hon. Mr. Snow:** Is that the only Sunday afternoon occupation in Temagami?

**Mr. Havrot:** Yes, sitting watching transports going by. We all have our little specialities, Minister.

**Hon. Mr. Snow:** Some people go out and fish.

**Mr. Havrot:** Yes; they fish from the bridge, you see, and they can watch these transports going by.

I was of the impression that transports were allowed to haul only perishables—which we do not have to worry about in this day and age with refrigerated units—or livestock. I have seen everything—steel, machinery, lumber and all types of materials—being hauled. These are far from perishable materials.

I contacted your office about a year ago. There was some enforcement for a couple of days and there were some charges laid, but that was the end of it. Is there any possible way this matter can be tightened up a bit? I was wondering if the special permits for Sunday driving, which these companies are getting, can be cut down through the federal minister.

**Hon. Mr. Snow:** It would have to be through the federal minister because, as you say, under the Lord's Day Act trucking is limited to livestock and perishables on Sundays. On the other hand, any trucking company can apply to Transport Canada for an exemption from that act. Most companies have that exemption.

**Mr. Havrot:** In other words, the act is worthless.

**Hon. Mr. Snow:** The act is really not very strong.

**Mr. Havrot:** It has become a problem in our area particularly, because they are bypassing Highway 17 going towards Sault Ste. Marie and going up north if they are heading out west. Although the distance is a little greater, because of the good highways we have in my area, they seem to have fallen in love with Highway 11 north of North Bay. They go north towards Thunder Bay and on to the west.

**Hon. Mr. Snow:** This is a complaint we get all too often; however, if they have the exemption under the federal act there is nothing the Ontario

Provincial Police or anyone else can do about them.

**Mr. Gilbert:** We fought a number of cases several years back. As the minister said, that act is full of holes as far as exemptions, getting permits and what have you, are concerned. It is very difficult to enforce that act.

**Mr. Havrot:** Perhaps with the new government, the new Minister of Transport in Ottawa might—

**Mr. Chairman:** Mr. Miller?

Interjections.

**Mr. G. I. Miller:** You are making fun of me again. This is a serious consideration.

Has the minister had any pressure from the trucking industry, the operators themselves, about the speed of the trucks?

**Hon. Mr. Snow:** Which way do you mean, up or down?

**Mr. G. I. Miller:** At 55; I do not think we need to go up. I always come in at different times. I can run at 110, and those guys come by me at about 120 when the road is a little bit mucky. They can see, but you cannot see too well.

9:40 p.m.

**Hon. Mr. Snow:** The Ontario Trucking Association is recommending to its membership that they run at 90 kilometres on the freeways, rather than 100. I know of a number of companies which have that rule. They have tachographs on the trucks so they can monitor the speed, they know at what speed the trucks are travelling.

I have heard of some companies paying a bonus to the drivers if they stay within 55 miles or 90 kilometres an hour. That is mainly based on tire and fuel economy. Truckers have told me that trucks driving at 90 kilometres per hour are much more fuel efficient and the tire wear is less than those travelling at 100 kph. The tire wear is less because there is less heating of the tires, especially in the summer; therefore, the costs go down.

In many cases the drivers are paid a basic salary plus mileage. If they drive at a slower speed, the drivers cover fewer miles in a given number of hours, so they lose a bit of income. Therefore, these companies offer a bonus if the drivers stay within the speed limit, because what they save in fuel and tire wear more than allows them to compensate the driver for driving a little slower.

However, that is the prerogative of the trucking company and the trucking industry. As



far as the ministry is concerned, our advisers and the OPP do not recommend a variable speed limit. In other words, no one is recommending to me that the limit for cars be 100 kilometres an hour and for trucks 90. All experts on traffic and safety seem to think a constant flow of all vehicles at the same speed is better than having different speed limits for two different types of vehicles on the same highway.

**Mr. G. I. Miller:** Therefore, as far as your records are concerned, there is less danger?

**Hon. Mr. Snow:** Your former leader and present House leader is continually debating with me and wanting me to remove speed limits almost totally.

**Mr. G. I. Miller:** I think that was only on Highway 2.

**Hon. Mr. Snow:** No. He quoted examples from experiences he has had in his broad travels of Europe. He feels speed limits are unnecessary.

**Mr. G. I. Miller:** Did you see the article in the Star not so long ago about the saving in lives and the savings to the trucking industry, as well as the auto industry, from a uniform 55-miles-an-hour speed limit? It was in the billions of dollars. It was only within the last couple of weeks. I would show it to you but I do not have it with me tonight.

The estimated saving is tremendous, both in accidents and in—

**Hon. Mr. Snow:** It is very simple to set a speed limit of 55 miles an hour as they have done in the United States. I happen to believe our speed limit is much better than theirs. They have a 55 mph speed limit on all highways. Basically, although it is metric, we have a 55 mph speed limit on our two-lane highways and 60 on our freeways. I think that is a much more sensible way of approaching it.

Certainly, driving on highways 401, 402, 403, 404 or whatever at 60 miles an hour is not an unreasonable—

**Mr. Wiseman:** Hardly anyone does it.

**Mr. Eakins:** Provided you do not get run over.

**Mr. Gilbert:** That is the enforcement.

**Hon. Mr. Snow:** The enforcement part is a different thing. That does not fall under our ministry.

**Mr. Samis:** No, you can set it as low as you want but enforcement is the real problem.

**Hon. Mr. Snow:** The general public will not adhere to an unrealistically low speed limit. If you set a limit below what the average driver

feels is reasonable for that area, and we have run into this at specific points where they want low speed limits on a basic rural highway, regardless of what you post, the public will drive whatever they feel is the safe limit; which is normally 55 miles an hour.

**Mr. Eakins:** Do you reject the Scandinavian-European experience of unlimited speed limits? Is it not unlimited in some parts?

**Hon. Mr. Snow:** No, we are not prepared for unlimited speeds. As I said, the member for Brant-Oxford-Norfolk (Mr. Nixon) has been recommending that to me for a number of years.

**Mr. G. I. Miller:** It makes me a little nervous when those guys get breathing down your neck.

**Hon. Mr. Snow:** They can have a bit of a heavy foot.

**Mr. G. I. Miller:** You are moving along above the speed limit and they come barrelling down on you. I usually move over and let them go by.

**Hon. Mr. Snow:** That is not a bad idea, I should try it out. I hear all these stories about people speeding. I have one of those gadgets on my car where I can set the speed limit, take my foot off the pedal, relax and steer. I have gone out on 401, maybe coming home from Kitchener or Guelph or someplace. On 401, I usually set it at about 105 kilometres, which is five kilometres above the speed limit. I set it there and watch what happens. I will pass the odd vehicle, but not too many, and there will be very few pass me.

**Mr. Samis:** Twenty to one.

**Hon. Mr. Snow:** The one that does pass is the jackass that is going about 150 kilometres anyway, no matter what the speed limit. You just go “whoosh” and he is gone. Generally speaking, if you set it at 105 kilometres an hour, five kilometres over the limit, you are basically moving with the traffic. Very few pass you and you pass very few.

Vote 2803 agreed to.

**Mr. Chairman:** The next vote is the provincial transit program. Is that an important vote or do you want to move to something else?

On vote 2805, provincial transit program:

**Mr. G. I. Miller:** What is the strategy on service to Hamilton now? Has there been any improvement in that in the past year and what are the plans for the future?

**Hon. Mr. Snow:** What are you referring to?

**Mr. G. I. Miller:** How many runs a day are going directly into Hamilton?

**Hon. Mr. Snow:** The GO train has two runs a day, the same as it has been for the last 17 years.

**Mr. G. I. Miller:** Are there any plans to upgrade that service?

**Hon. Mr. Snow:** Yesterday morning we had the sod turning for the first contract on the new government of Ontario advanced light rail transit system, which is going from Oakville into Hamilton. That proposal is under way now and will be implemented over the next period of years.

**Mr. G. I. Miller:** How many years?

**Mr. Samis:** By the year 2055.

**Hon. Mr. Snow:** I cannot tell you how many years because two things are happening.

**Mr. G. I. Miller:** Hamilton is a neglected area.

**Hon. Mr. Snow:** We have the environmental assessment to take place on the Hamilton end of the line and we also have a matter of funding. It depends how much money you fellows vote me every year.

We have Mrs. Anne Jones, the vice-chairman and acting chairman of GO Transit, with us this evening; and Mr. Leach, the managing director. If there are any questions I cannot answer I will call on the experts.

**Mr. G. I. Miller:** Have they resolved how they are going to run it into Hamilton? Is it stabilized?

**Hon. Mr. Snow:** Oh, yes.

**Mr. G. I. Miller:** Mrs. Jones, I would like to welcome you to our committee tonight as chairman of the region of Hamilton-Wentworth.

**Mr. Samis:** We are learning a lot about Norfolk tonight.

**Mr. G. I. Miller:** We are good neighbours and we would like to become better ones.

**Mr. Samis:** She wants to be here. Have you not got plans to be here?

**Hon. Mr. Snow:** Anne would be quite prepared to run those Canada coaches down into Norfolk if you will help her pay the subsidies.

**Mr. G. I. Miller:** That is another thing that really irks me. We subsidize everybody but Welland, Ontario. We have to get along by ourselves. I guess you are aware that we do have a service. United Trail has picked up that service from Tillsonburg to Port Dover, Simcoe and Hamilton. We are still shopping in Hamilton, even if—

**Hon. Mr. Snow:** You give private enterprise a chance and it will do the job.

**Mr. G. I. Miller:** Is Hamilton going to be put on the map as far as the GO system is concerned and get a permanent service?

**Hon. Mr. Snow:** Oh, yes.

**Mr. G. I. Miller:** Before the year 2000?

**Hon. Mr. Snow:** Oh, yes; we hope to pay the last dollar on that one.

**9:50 p.m.**

**Mr. G. I. Miller:** The other question I would like to ask is about the system in Toronto, the Toronto Transit Commission. I think students and senior citizens have a rate, but if you come in from outside you are not permitted to use the service at a reduced rate on a senior pass or a student pass. Is that a concern of yours?

**Hon. Mr. Snow:** I think it is the most ridiculous thing in this province.

**Mr. G. I. Miller:** What is that, the student pass or using the TTC?

**Hon. Mr. Snow:** The fact that senior citizens who come in from another municipality are not allowed to ride as senior citizens in Metropolitan Toronto.

**Mr. G. I. Miller:** Are they not?

**Hon. Mr. Snow:** No, they are not. You just said that and I agreed.

**Mr. G. I. Miller:** Is it being subsidized by the province?

**Hon. Mr. Snow:** The overall system, the operating costs of the TTC are subsidized by the province, yes.

**Mr. G. I. Miller:** Not the special fares.

**Hon. Mr. Snow:** Not the one for seniors.

**Mr. G. I. Miller:** How much is being subsidized, what per cent?

**Hon. Mr. Snow:** Fifteen per cent of the total operating costs.

Senior citizens from Metro can get on the GO train and ride for half-fare to Oakville, get on local transit and ride for half-fare in Oakville or Burlington or on most of the other systems in the province. Oakville citizens can pay half-fare in Oakville and on the GO train to Toronto, but if they want to go to the Eaton Centre they have to pay full fare on the TTC.

This is a matter on which I have had numerous meetings with the management of Metropolitan Toronto and the TTC, but they have steadfastly refused to alter their present policy. Senior citizen fares are only available to those who reside in Metro Toronto. We feel that senior citizen fares should be universal across the province. If a senior citizen from Toronto wants



to fly to Dryden and ride a bus around town, he should be able to ride as a senior citizen; he probably can, but not the Dryden person who wants to come into Toronto.

**Mr. G. I. Miller:** So it is not the same.

**Hon. Mr. Snow:** I get complaints about this if a group of senior citizens from Dryden come to Toronto and want to go from the Art Gallery of Ontario, to the Royal Ontario Museum and to the Ontario Science Centre on public transit. They do not get senior citizens' fare.

**Mr. Eakins:** Your subsidy is fifteen per cent to the TTC.

**Hon. Mr. Snow:** Yes.

**Mr. Gilbert:** Of the total operating costs.

**Hon. Mr. Snow:** Yes.

**Mr. Eakins:** That is what I mean.

**Hon. Mr. Snow:** By lowering fares for senior citizens they slightly reduce their revenue. My argument is to encourage them. Senior citizens usually are not riding at peak times in any case. Generally, there are empty seats for them. They do not normally come into Toronto and ride at 7 a.m. or 8 a.m. or at night. There are benefits to their using the system and shopping. However, I have still not been able to convince the TTC management to change the policy.

My policy is that senior citizens' fares should be universal across the province, whatever a municipality offers its own citizens. We have a couple that give free fares for senior citizens. I guess that is totally subsidized by local taxpayers. Maybe it is going a little far to say those municipalities have to offer free fares to people from all over the province.

**Mr. Eakins:** You would be picking that up in your 15 per cent of operating costs.

**Hon. Mr. Snow:** We will pick up our part, but when they offer free fares that comes out of their revenue, so they are basically paying it.

**Mr. Gilbert:** The argument the TTC and Metro put forward is that they pick up the subsidy for the senior citizens.

**Mr. G. I. Miller:** I have a letter, dated November 27, regarding the policy of Metropolitan Toronto and the TTC, signed by Mr. Alfred H. Savage, general manager. According to the letter, they picked up \$8.8 million involving the taxpayers of Metropolitan Toronto in 1983, and that is their argument.

They have a plan for students at half-fare if residing outside of Metropolitan Toronto. Groups of students from Ontario schools coming to Toronto on educational excursions may on

written request be issued a short-term special transit pass for the period of the visit.

If they write to the Toronto Transit Commission, students can get an estimated fare and a pass while they are on tours in Toronto. There is a little bit of give and take there, but for seniors you are correct. I wondered what your position was, how much you put into the system, what your influence was and what your views were.

**Hon. Mr. Snow:** We put in a lot of money. We put \$30 million or so a year in subsidies into the TTC.

**Mr. G. I. Miller:** That is much more than Haldimand-Norfolk has been given as far as transit is concerned.

**Hon. Mr. Snow:** A little bit more.

**Mr. G. I. Miller:** Or Hamilton.

**Mr. Samis:** May I ask the minister or the representative from GO why this statement is in every year: "GO is confident of being able to keep closing in on the 65 per cent target set for it by cabinet in 1977, and the situation should improve even more in the next few fiscal years"?

In the light of the record from 1977 to 1983, the highest figure attained is 58.3 per cent. Why do we keep pretending that that figure is ever going to be attained?

**Hon. Mr. Snow:** We are closing in; we are getting closer. On the other hand, the five per cent guideline or limit on fare increases in the last couple of years has not helped us.

**Mr. Samis:** How did the five per cent guideline apply to the 9.8 per cent increase?

**Hon. Mr. Snow:** Fuel costs and certain other costs are passed on.

**Mr. Samis:** But to the GO passengers the five per cent guidelines meant 9.8 in that case.

**Hon. Mr. Snow:** In one year I guess it did.

**Mr. Samis:** That is considerably more when you are zapping salaries and other things at five per cent.

**Hon. Mr. Snow:** If we had had a smaller increase we would have been farther behind in meeting the 65 per cent.

**Mr. Samis:** That is what I am asking. Is it still feasible to retain that target in view of that track record?

**Mr. Gilbert:** Yes, it is.

**Hon. Mr. Snow:** Ridership is increasing and so on.

**Mr. Samis:** I point out to you that in 1977, seven years ago, you were at a 56 per cent level



and, except in 1981, you have been consistently under the 56 per cent level until last year.

**Hon. Mr. Snow:** I am told we are at 64.6 per cent right now.

**Mr. Samis:** It says 58.3 per cent here.

**Mr. Gilbert:** It has been moving up, to GO's credit, through efficiencies and increased ridership.

**Mr. Samis:** In 1981 it was at 56 per cent; in 1982, 55 per cent; in 1983, 54 per cent; and now, 58.3 per cent.

**Mr. Gilbert:** You have to recognize that a number of those routes could almost have been called immature when they were set. In other words, they were new routes that it had taken on. As I say, through the work that GO management has done it has been able to move up, certainly to GO's credit, and at the same time increase service as well.

**Mr. Samis:** I think the GO system is an excellent system, one that we can be proud of in the province. Generally speaking, I think it is well run.

**Hon. Mr. Snow:** Thank you very much.

**Mr. Samis:** In spite of the minister, it has some major accomplishments to its credit. I give credit to the staff, the elected official and even the Conservative candidate.

**Hon. Mr. Snow:** You lost your chance. You cannot be the Conservative candidate any more.

**Mr. Samis:** I would not want to be.

**Hon. Mr. Snow:** You waffled too long.

**Mr. Samis:** They have a good member in Hamilton West, do they not?

**Hon. Mr. Snow:** I was thinking of Cornwall.

**Mr. Samis:** I was just thinking of Hamilton West. Everybody tells me the member there is doing well.

**Hon. Mr. Snow:** We have a candidate in Cornwall who is just going to—

**Mr. Samis:** I hear you have a candidate in Cornwall.

**Hon. Mr. Snow:** That hair of yours is going to go straighter than a doornail.

**Mr. Samis:** You will not even be the candidate in your riding if the Treasurer gets in. There will be a nomination meeting in Oakville and you will not even be running. You will be on some board.

**Hon. Mr. Snow:** Who told you that?

**Mr. Samis:** You know that is what is going to happen.

**Hon. Mr. Snow:** I may not even be aboard.

**Mr. Samis:** That is right. You are going to be dumped off.

**Mr. Eakins:** The tiny perfect Premier.

**Mr. Samis:** Oh, I doubt that. Too bad there was not a provincial senate or legislative council that you could go to.

**Hon. Mr. Snow:** A few of us are thinking of forming one.

**Mr. Samis:** I am sure the back benches are full of people who would like to be in there.

If I can get the minister off his nomination meeting and his concerns and fears about the Tory leadership convention—

**Hon. Mr. Snow:** About 48 hours from now we will be getting all the results in from those by-elections.

**Mr. Samis:** That is right; in Hamilton too.

May I ask about fare integration, if I can get the minister off politics for a second? The annual report lists the communities that participated. Are there any major communities on the GO route that do not participate?

**Hon. Mr. Snow:** The TTC.

**Mr. Samis:** Beyond that.

10 p.m.

**Hon. Mr. Snow:** I am not sure. There have been a number come on board. Oakville and Brampton were the first two municipalities that came into the fare-integration program. A number of others have joined since. Mississauga came in, but on a slightly different basis from the other municipalities.

**Mr. Samis:** I think it is an excellent idea and I would just hope it is working.

**Hon. Mr. Snow:** We are working towards, and hopefully will have, a monthly pass for GO Transit that will include a monthly pass on the TTC.

**Mr. Samis:** I understood you have worked out some co-operative arrangement? Do you not have one now?

**Hon. Mr. Snow:** No, it is not implemented yet.

**Mr. Samis:** Is it in the works?

**Hon. Mr. Snow:** It is in the works, I know that.

**Mr. Samis:** Could I ask where it stands?

**Mr. Leach:** You can buy a pass for the TTC, but you have to pay full fare.

**Hon. Mr. Snow:** It does not save you any money. You can buy a GO pass that has a TTC

sticker on the corner of it and that allows you to carry one pass that allows you to ride both, but it does not really save you any money.

**Mr. Samis:** How long have you accepted credit card payment?

**Hon. Mr. Snow:** About four or five years now.

**Mr. Samis:** That long?

**Hon. Mr. Snow:** About four years, I would say. As monthly passes became more popular and more expensive, when you started getting the monthly pass for some of the rides up over \$100, it became handier for people to just pick up their pass at the end of the month and put it on their Visa than to write a cheque or to carry that much cash with them.

**Mr. Samis:** Just so I understand: there is not an integrated pass at a reduced rate for the two systems?

**Mr. Leach:** You have to pay two separate fares, but it is on one pass, in effect.

**Hon. Mr. Snow:** You buy one pass—

**Mr. Samis:** But there is no rate reduction?

**Mr. Leach:** Not at this time, but we are negotiating with them.

**Mr. Samis:** Could I ask how the bus terminal is working these days with respect to the GO component of it? How overcrowded is it, or how is it working?

**Hon. Mr. Snow:** Which one?

**Mr. Samis:** The downtown one on Bay Street. How does it suit you?

**Mr. Leach:** Our portion of the Toronto station works quite well. It is the Elizabeth Street section. It is crowded, but it is effective. There is no doubt need for improvements. Gray Coach has proposals out for that at the present time.

**Mr. Samis:** I presume your intention is to stay there if they go ahead with their proposals for that development plan.

**Mr. Leach:** Yes.

**Mr. Samis:** Have you been approached about fare reductions for different people? I notice there were proposals in Hamilton and some other communities, and Metro Toronto, by groups representing either the unemployed or the welfare recipients. Have you been approached for any fare reductions this year?

**Mr. Leach:** No, sir.

**Mr. Samis:** No group has approached you?

**Mr. Leach:** No.

**Mr. Samis:** Does the TTC waterfront proposal affect any of your plans for GO services, if they go ahead with it?

**Mr. Leach:** It affects our proposals for the government of Ontario advanced light rail transit system that runs through downtown Toronto.

**Mr. Samis:** In what way would it affect it? They seem to be going ahead with it now.

**Mr. Leach:** It would affect the streetcars.

**Hon. Mr. Snow:** What they are talking about is a streetcar line on the waterfront and the harbourfront, to service the development down there. What Mr. Leach is talking about is the possible reliever line, or the line that runs east up to Donlands and west up to Eglinton, possible lines that they have considered.

Part of those would have to be co-ordinated with a future GO-ALRT line along the lakeshore. There is only a limited amount of right of way through that area so you would have to co-ordinate the services for multiple use of the right of way.

**Mr. Gilbert:** Those studies are going on now?

**Hon. Mr. Snow:** The TTC, Metro and the ministry are all involved in those studies at the present time.

**Mr. Eakins:** Mr. Chairman, I have a couple of questions under vote 2808. I think we have only 10 minutes. I wonder if I might have an opportunity.

**Mr. Samis:** I have one final question. Could I just ask you what the various proposals for the domed stadium would do to your plans?

**Hon. Mr. Snow:** If it was built out in Oakville it would not bother us at all.

**Mr. Samis:** It will never get built in Oakville—

**Mr. Leach:** We could provide service to any of the sites that have been proposed to date.

**Mr. Samis:** It does not cause any special problems, whether it is downtown or not?

**Mr. Leach:** No, not at all, we can accommodate that site very well.

Vote 2805 agreed to.

**Mr. Chairman:** Mr. Eakins wants to speak to vote 2808 and we shall do it afterwards. We now have to determine when this committee will sit to review the Workers' Compensation Board annual report. It has to be done in February, or we could go to the first week in March. We have three to five days to consider the report. I was hoping that the critics on Labour would come in.

**Mr. Eakins:** We could proceed on the basis of—

**Mr. Chairman:** This has to be done tonight so it can be passed by the House.

**Mr. Samis:** How can we do it without those people here?

**Mr. Chairman:** I am sorry, I have talked to both of them; they knew it was going to be discussed at eight o'clock tonight and neither of them showed up. I would like to have a recommendation on when we sit in February.

**Mr. Samis:** Why does it have to be decided now?

**Mr. Chairman:** It has to be passed by the House and this is the last time we are going to be sitting as a committee.

**Mr. Samis:** You have nothing in writing from either one of them as to what they would prefer?

**Mr. Chairman:** No, I have verbal concerns they expressed. Mr. Laughren would like to see three days the first week in February and two days the second week. Mr. Mancini would like to see it the first week in March.

**Mr. Samis:** No, February makes more sense.

**Mr. Chairman:** May I recommend three days, Tuesday, Wednesday and Thursday, February 5, 6 and 7, and Tuesday and Wednesday of the following week, February 12 and 13?

**Mr. McKessock:** I would rather it be the last two weeks in February. What about the last week in February and the first week in March if necessary?

**Mr. Samis:** Surely in March the members will have a natural inclination to want to be a little closer to their ridings. Surely February would be the time to do it and get it over with—early in February.

**Mr. McKessock:** Split it and have the last week in February and the first week in March.

**Mr. Eakins:** We may not even need two weeks; is that right, Mr. Chairman?

**Mr. Chairman:** I think we will; we will need a maximum of five days. Three to five days is what the House leaders agreed upon. I do not think we will get it over with in three days; I think it will go to five, so I would like to allow them the five days.

**Mr. Samis:** Do you want a motion?

**Mr. Chairman:** Mr. Samis moves that the committee sit in the first two weeks in February, three days in the first week and two days in the second week.

Motion agreed to.

On vote 2808, municipal transit program.

**Mr. Havrot:** Shall we carry the rest or are we coming back to them?

**Mr. Chairman:** We will do them all at one time.

**Mr. Eakins:** Vote 2808, item 2, capital and construction: I note under the transit demonstration projects there is a very large increase from \$4.2 million to \$55.2 million. I wonder if I could get a detailed explanation as to what this amount entails, to whom is it being paid and exactly for what.

**Hon. Mr. Snow:** It is being paid to the TTC for the Scarborough line.

**Mr. Eakins:** To the TTC for the Scarborough line.

**Hon. Mr. Snow:** In the previous year, the \$4 million, if I remember correctly, was for the articulated bus program.

**Mr. Eakins:** Is that being taken from somewhere else?

**Mr. Gilbert:** That was the agreement with the TTC.

**Mr. Eakins:** Is this perhaps one of the reasons the construction is down for the highways; have you taken off that to—

**Hon. Mr. Snow:** Not directly, no.

**Mr. Eakins:** But is it a corresponding amount?

**Hon. Mr. Snow:** It is all taken into consideration in our application for funding, which is approved by Treasury.

**Mr. Gilbert:** Both the funding for transit and the funding for the highway program were set by Treasury.

**Mr. Eakins:** But you did shortchange the highway program for this.

**Hon. Mr. Snow:** No, not as far as I am concerned.

**Mr. Eakins:** I wonder if you could tell me the current status of the ministry's articulated bus program, involving the fabrication demonstration of 53 such vehicles by General Motors of Canada, especially in the light of the Ottawa-Carleton Regional Transit Commission awarding a \$9-million contract for an articulated bus to a joint venture of Ontario Bus Industries Inc. of Mississauga and Ikarus of Hungary.

10:10 p.m.

**Hon. Mr. Snow:** We entered into an agreement with General Motors after studies and requests from Ottawa, Mississauga, Hamilton and Metro for articulated buses. In order to get articulated buses out for a demonstration we placed an order with General Motors for 55 of these buses, which were built in London,



Ontario, and were supplied to the four transit authorities that are using them now.

A follow-up of that program was a tender call by the Ottawa-Carleton Regional Transit Commission, OC Transpo, for about 30 or 35 articulated buses.

**Mr. Eakins:** Was it not 34?

**Hon. Mr. Snow:** I said 30 or 35. I am not sure.

**Mr. Eakins:** You were close.

**Hon. Mr. Snow:** General Motors chose not to bid on that contract. Of the bids that were received, the bid by Ontario Bus Industries, which uses an Ikarus basic chassis but completes the bus in Ontario and has—

**Mr. Eakins:** Could that whole thing not be done in Ontario? You made sure the Toronto Transit Commission dealt with Thunder Bay.

**Hon. Mr. Snow:** No one was prepared to bid. OBI, for instance, does not have a design for an articulated bus, so it chose to use the basic design of Ikarus. Parts of that bus are imported from abroad but the completion work—all the interiors, the finishing and the power unit and axles and a number of products—is done with North American or Canadian products. It is partially built offshore and partially built in Mississauga.

**Mr. Eakins:** Is there a problem with the GM units with the rear-engine location?

**Hon. Mr. Snow:** No, I do not think there is a problem. GM is in the midst of changing its design. They want to upgrade the design of their basic standard bus. I forget what the new name—

**Mr. Gilbert:** The Classic bus.

**Hon. Mr. Snow:** They want to upgrade the articulated bus from their older model to their newer model, but they do not have that ready.

**Mr. Eakins:** They have a centre engine location. Was there not a problem on slippery roads with the rear engine?

**Hon. Mr. Snow:** No, I do not believe so.

**Mr. Gilbert:** There was a problem right after they came out. They had to recall some of them.

**Hon. Mr. Snow:** That was a problem with the hydraulic control mechanism for the articulation joint. They had to recall the buses and replace or modify that hydraulic control mechanism.

**Mr. Eakins:** Was there very much money lost on that operation?

**Hon. Mr. Snow:** No, that was all absorbed by General Motors. The articulated buses are an expensive piece of equipment. I was disappointed with General Motors, especially taking into consideration the bus market in Ontario and

Canada. The bus market is fairly flat. There are only three bus manufacturers in Canada. We have General Motors in Quebec, Ontario Bus Industries in Mississauga, and Flyer Industries Ltd. in Winnipeg.

Of course, General Motors does have the articulated design it developed, but it chose not to bid on this job. We had a number of offshore bidders who would have supplied articulated buses totally from offshore. Then we had OBI, an Ontario company, in a joint venture with an offshore supplier of the basic design and chassis, but with a high degree of North American content. It was the low bidder, and that was much better than having the buses totally supplied offshore.

**Mr. Eakins:** Mr. Chairman, is there a vote at 10:15?

**Mr. Chairman:** We are just discussing that. Apparently the House rose at 10:05. They did not let us know.

**Mr. Eakins:** Since we are nearing the end of the estimates, will the minister make sure that as critic I am on his list to receive all the reports, documents, press releases and progress reports?

**Hon. Mr. Snow:** Do you want copies of all my speeches?

**Mr. Eakins:** One problem is that when you send out releases they hit the newspapers before the members get them. Sometimes there is more than a week's difference between the time you put out a press release and the time we receive it in our offices, and it is only across the road.

**Hon. Mr. Snow:** What type of press releases are you talking about?

**Mr. Eakins:** When you put out press releases about tender calls in individual members' ridings and things such as that, I sometimes read about it in the paper before I get it from you.

**Mr. McKessock:** Your letter will say, "You will be pleased to know that next week I will be putting for tender..." but next week is already last week by the time we get it.

**Mr. Eakins:** That is right. I wonder whether you can speed up the process.

**Hon. Mr. Snow:** Those letters usually come to me for signature on Friday. If I happen to have left to go to my riding office, the letters are not signed until Monday.

**Mr. Eakins:** The newspapers receive them.

**Hon. Mr. Snow:** I do not know how they receive them.

**Mr. Eakins:** There is no danger we will ever scoop you. As far as the other materials are

concerned, I would like to be on your mailing list.

**Hon. Mr. Snow:** I am sure you are. We were notified of the new critics. We know you became the new critic after Mr. Cunningham left.

**Mr. Gilbert:** Are you not getting them?

**Mr. Eakins:** I am not sure about all the material that is sent out. This is a recent thing.

**Hon. Mr. Snow:** We will make sure you get everything that is available. I just want you to promise you will read all my speeches.

**Mr. Eakins:** Absolutely; in fact, some of my questions in the House have been after reading your speeches, because you use two different excuses in explaining the funding of our highway program.

**Hon. Mr. Snow:** I never use excuses.

**Mr. Eakins:** That is why I read them.

Vote 2808 agreed to.

On vote 2806; provincial transportation program:

**Mr. Samis:** I have a couple of questions. If the minister answered before, that is fine. Did you report back on the state of the Toronto-Montreal short takeoff and landing service?

**Hon. Mr. Snow:** I think I did; it is working.

**Mr. Samis:** Is it working to Montreal or just to Ottawa?

**Hon. Mr. Snow:** To Ottawa.

**Mr. Samis:** I know the Ottawa one is working. I am asking about the Montreal one. Is it in limbo?

**Hon. Mr. Snow:** The company intends to extend service to Montreal, but as yet the facilities are not ready.

**Mr. Samis:** They have been intending to do it for the past five years.

**Hon. Mr. Snow:** Different companies have been talking for a number of years about implementing the STOL service, but the one that has implemented the service—I am trying to remember the traffic figures. Whatever they are, the traffic figures generated in the first month of operation between Toronto Island and Ottawa were about four times what had been anticipated. They were very happy with the traffic load they were generating.

I understand it is a Toronto-Ottawa service, with the intention to extend it when Montreal has the necessary landing facilities.

**Mr. Samis:** That is what I was asking. There is a huge site, but apparently there are some problems with the land itself. The original

proposition was Montreal-Toronto-Ottawa; that triangle would be served three ways.

**Hon. Mr. Snow:** We have supported the principle of STOL service for many years. We did not support any particular operator. We supported the principle of the service and left it up to the Canadian Transport Commission to select the operator. There were a variation of selections and then there were amalgamations. Eventually, a totally new company came in and started to implement the service.

10:20 p.m.

**Mr. Samis:** Did the minister happen to come across an interesting article in the December 3 edition of Newsweek, entitled "A River's Frozen Dreams"? It was in the business section, and it was very critical of the St. Lawrence Seaway. I found it stimulating. Let me quote one paragraph, to give the flavour of this three-page article. It says:

"Today the Seaway's promise stands manifestly unfulfilled. It operates at barely half capacity and only bail-outs from the two governments that built it have saved it from insolvency. Critics say it is a public investment squandered, a dinosaur paralysed by undersized locks, winter shutdowns and draconian tolls that can reach \$100,000 for a single round trip. Low-toll bulk commodities, such as grain and iron ore, still ply the St. Lawrence, but more lucrative cargoes have turned elsewhere. Technology has revolutionized rival rail and truck transport and produced efficient superships too large to fit the Seaway's 860-foot-long locks. Experts warn that a multibillion-dollar enlargement must be met now if it is to be ready by the century's end."

Has the minister's marine office assessed any of those criticisms about the Seaway being out of date and being a dinosaur?

**Hon. Mr. Snow:** I do not know. We conducted a study of the Seaway and took projections at that time. There was great concern as to whether Welland especially would be able to handle the traffic in the future. It was pretty well up to capacity then. Traffic on the Seaway has dropped considerably in the past few years, mainly because of the slowdown in the economy and in the movement of ore and coal. But I do not think at this moment there is a crisis in traffic at Welland.

**Mr. Samis:** This article makes the point that unless something is done technology is going to pass the Seaway by, and that the process has already started.

**Hon. Mr. Snow:** I do not know. There is the winter shutdown. In this country—

**Mr. Samis:** They are not just talking about the winter shutdown—

**Hon. Mr. Snow:** Maybe you people of the socialist philosophy—

**Mr. Samis:** You own the Urban Transportation Development Corp.

**Hon. Mr. Snow:**—have some great dreams of how you might stop the water from freezing.

**Mr. Samis:** Do you want to talk about the size of the locks?

**Hon. Mr. Snow:** You are living so close to the devil, I realize you could generate a lot of heat from down there.

**Mr. Samis:** Do you want to tell me which company you are going to take over next in the transportation field?

**Mr. Gilbert:** I think the one encouraging thing that has happened in the past two years—

**Hon. Mr. Snow:** Yes, they got the bridge opened.

**Mr. Gilbert:**—is the marketing approach the St. Lawrence Seaway Authority itself is now taking. Going back to Ralph Misener's report, Onward, we as a province have been saying we felt the Seaway itself could do a better job of marketing. Bill O'Neil, to his credit, now is approaching it from the point of view of not only operating the Seaway but also marketing it. That is one of the most encouraging things that has happened in the past two years, and I hope we have been helpful in trying to put that approach forward.

**Mr. Samis:** The article does refer to the efforts of a James L. Emery to help market the Seaway on the American side.

**Mr. Gilbert:** Yes, and Bill O'Neil.

**Mr. Samis:** There was a statement from a Minnesota economist that is troublesome. He said: "More and more international cargoes will

avoid the Seaway. I think the lakes will revert to an inland waterway, much as they were before 1959."

**Mr. Gilbert:** I disagree with him. I think the awakening, particularly in the United States and Canada, bodes well for the Seaway. I know we have problems there, but I think there is a real recognition that we have a great asset in the Great Lakes basin as well as the St. Lawrence.

The study done in Quebec by Hugues Morrisette, the former Deputy Minister of Transport, came out with suggestions, not only on the basis of marketing the Seaway but also dealing with economic development along the St. Lawrence. All of that will assist in marketing the great asset we have.

**Mr. G. I. Miller:** How much did that study cost?

**Hon. Mr. Snow:** That was about four or five years ago. I do not recall.

**Mr. G. I. Miller:** I mean the study report that just came out the other day. Was that a cost to the province?

**Mr. Gilbert:** It was joint, between the federal government and the province. I do not have that cost. Our share was \$48,000.

**Mr. Samis:** I think it was a worthwhile investment. The ports have not been studied, except for the Misener report, the report of the Great Lakes-Seaway Task Force. I think it was very worth while; a sort of inventory of what we have to offer, what the challenges and options are.

Vote 2806 agreed to.

Vote 2809 agreed to.

**Mr. Chairman:** Thank you very much. This completes consideration of the estimates of the Ministry of Transportation and Communications.

The committee adjourned at 10:25 p.m.



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 Newman, B. (Windsor-Walkerville L)  
 Samis, G. R. (Cornwall NDP)  
 Snow, Hon. J. W., Minister of Transportation and Communications (Oakville PC)

**From the Ministry of Transportation and Communications:**

Gilbert, H. F., Deputy Minister  
 Johnston, G. H., Assistant Deputy Minister, Provincial/Municipal Transportation  
 Kivi, H. F., Executive Director, Transportation Regulation Operations Division  
 Leach, A. F., Managing Director, GO Transit









# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1983

#### **Fourth Session, 32nd Parliament**

Tuesday, February 5, 1985

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, February 5, 1985**

The committee met at 10:09 a.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983

**Mr. Chairman:** We will proceed with our activities of this session. We are here to review the annual report. I had understood originally it was to have been the annual reports for the years 1982 and 1983, but apparently it is just the one annual report we have to proceed with at this time.

When we set up our time schedule, we were thinking of two reports and, thus, allowed an extra two days over and above what legislation calls for. It is up to the committee. I wonder whether we need five days now that we only have one report.

You think we do, Mr. Lupusella? I thought maybe you might.

**Mr. Lupusella:** Yes.

**Mr. Haggerty:** You are not coming through too loud and clear.

**Mr. Chairman:** Is it not?

**Mr. Haggerty:** No. There is something wrong with the sound system.

**Mr. Laughren:** Before we start, I wonder if it would be appropriate to extend a special welcome to all the senior honchos of the board who may be here for the last time in view of the impending restructuring of the board.

**Hon. Mr. Alexander:** I thought you were going to labour on my behalf.

**Mr. Laughren:** I will, but it may not be what you like.

**Hon. Mr. Alexander:** "On my behalf" means for me; I thought that is what you whispered in my ear.

**Mr. Chairman:** It is up to the committee. We had set aside the five days, but as I say that was for the purpose of two reports. Do you feel we need five days?

**Mr. Lupusella:** Mr. Chairman, with the greatest of respect, I remember that during last year's discussions we debated the sittings. We were supposed to have a morning or an afternoon sitting. The mandate of the Legislature was to sit for five days. When we start raising our concerns

with the board's representatives, if there is need, of course, we are going to utilize the five days.

It does not really make any sense at this time to vote on whether we need the five days. We have the five days within the mandate of the Legislature. If there is time enough to use the five days by all means we are going to use them, but I am not prepared to vote on that.

**Mr. Laughren:** Surely it makes sense to wait and see.

**Mr. Chairman:** That is fine with me. I just wondered whether anybody had any firm suggestions on that.

**Mr. Lupusella:** Mr. Chairman, before we initiate the business of the proceedings; I do not think it is routine, but a genuine request has been made by injured workers and organizations of injured workers across Ontario. They have expressed the desire to appear before this committee to make representations and raise their concerns on behalf of injured workers.

I think a letter was sent to your attention, Mr. Chairman. Even though I realize and know well the content of your reply, I think it is appropriate for us to move a motion to make sure that we are aware of the question which has been raised by injured workers to appear before this committee to deal with the complicated and obscure areas of the act and the policies of the old act and the new act. At least they will have an opportunity to be heard before this committee because the representatives of the board will be here to comment on their concerns.

Therefore, I am going to move a motion. Although I understand your feelings and the rejection of the request which has been made by organizations of injured workers, I make the request that they appear before this committee even though it is not considered a standard practice for organizations to appear before a committee when the committee has to deal with a specific report.

At any rate, because we are dealing with a report which affects the lives of injured workers across Ontario, I think it is appropriate. I move a motion that this committee will accept the request of injured workers to appear before this committee to make their presentations.



**Mr. Chairman:** Mr. Lupusella moves that this committee accept the request of injured workers to appear to make their representations.

Is there a seconder to the motion?

**Mr. MacQuarrie:** Mr. Chairman, I recall, on previous occasions in this committee, that injured workers and a number of other groups made presentations. Is this, in effect, a request to throw it open to all and sundry to appear in the limited time we have available and to make their presentations? I am just raising the question.

**Mr. Laughren:** May I respond to that, Mr. Chairman? Perhaps it would be helpful to know whether or not any other groups have requested to appear before the committee this week and next week.

**Mr. Chairman:** They have not done so to the clerk.

**Mr. Laughren:** One group has expressed an interest in it for obvious reasons. That group has been very helpful to the committee in the past. I do not think it is an unreasonable request by any stretch of the imagination. I think it would benefit the committee and the Workers' Compensation Board. If one were to get a senior official of the board in a quiet moment in a corner with a drink in his or her hand, I believe he or she would admit they are going to need help in the implementation phase of the new act. It would be very useful to have the Association of Injured Workers' Groups appear before the committee.

I am not suggesting, and neither are they, that they tie up the committee for a long period of time. I suggest they present their brief and respond to any questions the committee members might have. I really believe it would be helpful. I do not think it should be this morning, but I do think it should happen later in the committee hearings.

**Mr. Chairman:** Are there any other comments at this time?

**Mr. McLean:** Did they not present a brief at the same time as the rest of them when we were reviewing the act?

**Mr. Chairman:** Yes. They appeared before us on several occasions during the review of Bill 101.

I do not have a copy of the act, unfortunately, but as I understand it, the legislation allows for three days to review the annual report of the Workers' Compensation Board. Tradition has it that we as a committee have the members of the board here and, on occasion, officials of the ministry so we can question them. It has not been

the practice or custom, nor has it ever happened as I understand it—

**Mr. Laughren:** Has the clerk checked out whether it says it is only three days?

**Mr. Chairman:** I asked him to do so before I replied to the letter from Mr. Farquhar of the Association of Injured Workers' Groups. It has not been the custom or practice to have witnesses and delegations, other than those from the board or the ministry for this purpose.

**Mr. Lane:** It seems to me we could be severely criticized if we heard one group of people and did not make it known to other groups that had appeared before us when we were discussing Bill 101 that this was happening. That would be unfair.

As I recall the discussion on Bill 101, we made extra time available to the injured workers. I feel we would be impartial to all the groups that came before us if we heard one group and did not make that privilege available to other groups.

**Mr. Laughren:** It would be helpful to me if the clerk would tell us where it says it is three days. Where is that ruling? Is it the act or the standing orders of the Legislature?

**Mr. Lupusella:** It must be the standing orders. There is no provision in the act that says—

**Mr. Laughren:** Is it the standing orders that say three days? Where did you get the information that it is only three days? Did you get it through the clerk?

**Mr. Lupusella:** There is no provision in the act about the length of time.

**Mr. Chairman:** It is referred to the Legislature for referral to a standing committee. I am sorry. I back down on that. I have been corrected by the clerk and by members of the committee.

**Mr. Laughren:** You put the clerk in an impossible situation.

**Mr. Chairman:** No. It is not an impossible situation because the clerk has corrected me. It is an automatic referral to a committee and normally, by tradition, it goes to this committee. There is no time limit; we are setting aside the number of days now. What we are dealing with is the motion that suggests we allow outside witnesses to appear before us.

**Mr. Laughren:** You test the goodwill of the committee when you make a ruling based on nothing.

10:20 a.m.

**Mr. Chairman:** I have not made a ruling.

**Mr. Laughren:** You really do.

**Mr. Chairman:** I have not made a ruling, have I? Hansard will state that I have not made a ruling on it.

**Mr. Lupusella:** If I may defuse this issue, I would like to remind your colleagues, the Conservative members, that the Conservative government is willing to listen and in the past has spent a lot of time listening to the problems of people. It is a good way to demonstrate goodwill, to listen to injured workers. They would like to bring to the attention of the government, and specifically this committee, a concern which affects their livelihood and their lives.

If you and your colleagues, Mr. Chairman, would like to be consistent with the political motto across the province that the Conservative government is willing to listen, here is a chance for you really to listen to what is going on in the real world.

**Mr. Chairman:** Mr. Mancini, did you have your hand up? Did I see your hand a moment ago?

**Mr. Mancini:** Mr. Chairman, we would support the motion made by the New Democratic Party. We see no problems in hearing this group that wants to make a submission.

If there is a problem with time, maybe the committee can get together and decide on a global amount of time it would give to outside witnesses. We would probably be willing to go along with something like that as a compromise to get the session under way.

We do not think our work is being compromised in any way by hearing a submission from a group that has been interested in these problems for many years and that actually has done a good deal of beneficial work for the members of the Legislature. They have brought up a good many items that have helped us in our cause to make things better for injured workers. I do not know why we have so much acrimony here this morning just about our hearing a group make a submission.

**Mr. Chairman:** Is there any further discussion on the motion?

The motion reads—and correct me if I am wrong, Mr. Lupusella—that the committee accepts the request of the Association of Injured Workers' Groups to appear before the committee during consideration of the annual report of the Workers' Compensation Board.

You are all familiar with the motion. Those in favour of the motion?

Are you in favour of the motion, Mr. Mancini?

**Mr. Mancini:** I am not a voting member.

**Mr. Laughren:** He is only the Labour critic.

**Mr. Chairman:** Those opposed to the motion?

**Mr. Lupusella:** Unbelievable.

**Mr. Chairman:** The motion is defeated.

**Mr. Laughren:** May we have a recorded vote on that?

The committee divided on Mr. Lupusella's motion, which was negated on the following vote:

#### Ayes

Haggerty, Laughren, Lupusella, McKessock.

#### Nays

Gordon, Lane, MacQuarrie, McCaffrey, McLean, Yakabuski.

Ayes 4; nays 6.

**Mr. McCaffrey:** May I just verify something? Mr. Mancini is a substitute, as I am, and he said he could not vote. I respect that. He said he does not think he could vote because he did not have a slip submitted. Was my slip submitted?

**Mr. Chairman:** Yes, it was.

We have one substitute slip from the Liberal caucus. Who is on the substitute slip?

**Clerk of the Committee:** Mr. Haggerty for Mr. Reed.

**Mr. Mancini:** Mr. Chairman, I have some difficulty. I am a member of the standing committee on procedural affairs and that committee is sitting simultaneously. I have to go upstairs because we are sitting in camera. That is probably one of the reasons the slip was not presented; they did not expect me to stay here this long.

**Mr. Chairman:** The motion is defeated.

**Mr. Lupusella:** I would like to reiterate the principle that the Conservatives are abusing their power, having a majority government. That is why they are defeating the opposition motion.

**Mr. Chairman:** Thank you.

**Mr. Laughren:** I find you consistent anyway.

**Mr. Mancini:** I would like to ask the committee if we could set aside one morning or one afternoon to visit the rehabilitation hospital, be given a tour of the hospital and be allowed to talk to the patients at the hospital; and then, after the tour is completed, to have the people who are in charge of running the hospital—the director or whatever his title may be and his top assistants—come in for a certain period of time so they can be questioned.



Unfortunately, during the past number of years I have received many grave complaints about the operations of the hospital. It has come to the point where I think it would be very advantageous for this committee to make the tour and have the people in charge respond to some of the questions we might wish to pose.

I think that decision should be made in camera. I do not believe we should tell them in advance that we are going. I do not want a royal tour. I want a tour where maybe Mr. Alexander or someone else can take us through the hospital and explain to us the operations and what they are supposed to be doing there.

**Hon. Mr. Alexander:** Mr. Chairman, I do not know whether I am out of order, but I find that a delightful suggestion. People come from all over the world—I am talking about Japan and the United States of America—to visit the Downsview rehabilitation centre. Several of our colleagues from this country and other places have had the opportunity to look at our hospital. I can say without any hesitation or equivocation that they come to the hospital because they find it is one of the more advanced institutions on the North American continent.

I would be delighted to do so, on notice. It is not that you are going to be given the royal tour or that we are going to clean the place up before you get there, because it is clean in any event and it will be business as usual. Any time you are prepared, I would certainly welcome the opportunity to attend with members of the committee and other members of the Legislature to give them a tour of the hospital. I think they will find it extremely enlightening, notwithstanding the several comments you may have had with respect to the conduct of the hospital.

**Mr. Mancini:** I would also like it to be understood that we could talk at random to any of the patients in the hospital and ask them questions.

**Hon. Mr. Alexander:** I do not think there is any problem with that; that has happened before. I just find it unusual after being here for four and a half years that somebody is enlightened enough to want a tour. I must say that, much to my amazement—and maybe I will be checked on this—not very many MPPs have asked for that opportunity. I am delighted Mr. Mancini has thought of it, and I hope the entire committee will have an opportunity to go on the tour of the rehabilitation centre.

**Mr. Chairman:** Mr. Mancini is one of our more enlightened members.

I can see only one problem, and it could be a procedural problem—the clerk is going to check this out; we will have to advise you later today—in that the committee has not been authorized by the House to travel.

**Mr. McKessock:** There are no costs.

**Mr. Chairman:** It is a matter of our being away from the House for our meetings, but we will have that checked out and get an answer. I certainly would appreciate the opportunity to attend there.

**Mr. Mancini:** Then it is agreed, pending this—

**Mr. Chairman:** The formality; that is correct.

**Mr. Mancini:**—formality of approval. So we have agreed.

**Mr. Haggerty:** The Ministry of Transportation and Communications has the van that is used to pick people up. We can get that at no cost.

**Mr. Chairman:** That is not the point. It is not the matter of cost we are concerned about; it is the authorization to meet elsewhere than in these buildings. That is going to be sorted out.

**Mr. McKessock:** Other committees have done it in the past.

**Mr. Haggerty:** I just want to raise a point for clarification. When the Minister of Labour (Mr. Ramsay) presented his estimates before the standing committee of the Legislature he took about five hours to present his viewpoints on labour problems and on what the government was going to do.

He discussed one area that I thought would be of concern to committee members here this morning. He touched on an issue that the ministry was going to take a look at that I suppose would lead to compensation; I want to know whether committee members would be able, perhaps through disability, to be compensated in connection with this matter.

Coming right to the point: the chairman is smoking, and there is coughing because of the smoking. The minister talked about second-hand smoke. Is it right that we should be sitting here in this committee and be subject to second-hand smoke? Are we going to be covered by compensation?

10:30 a.m.

**Hon. Mr. Alexander:** I am smoking. If it will make you more comfortable, I intend not to smoke for the balance of the committee. If I stand up periodically, you will know I have to hit the hall. My nerves get frazzled. At 63, I have been smoking for a long time.



**Mr. Haggerty:** I am sure the chairman does not read the workers' compensation reports. One of the very touchy issues is that because the claimant had been smoking his compensation for industrial disease is almost wiped out. I bring that to your attention.

**Mr. Gillies:** A good point. I will certainly relay your concern to the minister.

**Mr. Chairman:** If there are no other matters of a procedural nature, we can proceed with the business at hand. First, we have the opening statement from the chairman, which has been circulated.

**Hon. Mr. Alexander:** Once again, Mr. Chairman, I am delighted to have the opportunity, together with several of my officials, to come before the committee to justify our existence during 1983 by way of the annual report. I am a little lost for words when I think of five days. I hope you will excuse me when I say this. I have some of the officials here, but you understand that business must go on. Therefore, it was not possible to have them all here because it would mean there would be a void in the administration. Some of them are here. If the questions that come eventually call for their expertise, they are on deck. In the meantime, we have only a few here.

I would like the approval of the committee to bring to the front at least three of the board officials: Mr. John McDonald, executive director of claims; Mr. Gord Russell, executive director of finance; and Mr. Arthur Darnbrough, executive director of vocational rehabilitation. There are others who will be called because of the questions. I would like to have your permission to bring at least those three to the table.

**Mr. Chairman:** If those gentlemen would like to come to the table, we would appreciate that.

If members of the committee would like to be sure that certain officials from the board are here, perhaps those names could be passed to me or the clerk shortly.

**Hon. Mr. Alexander:** We will make them available.

Another point I would like to bring to your attention is that for the first time, as you will probably notice, the opening statement by the chairman is in both official languages. Everyone has a copy in English and one in French. I wanted to bring that to everyone's attention. This is also for the appreciation of the audience.

I certainly look forward to these meetings because they give me an opportunity to know the concerns of the members and those whom they

represent in the constituencies of this great province of ours. It gives us an opportunity to know what is bothering them about the board's administration of the act. As well, it gives us an opportunity to explain our policies. In the long run, it means we will be better able to administer what I call a very important act.

It is part of an ongoing process. Basically, you all know that my job is primarily to see to it that policies, programs and operations are in keeping with our objectives and needs at the board. There is another important part, and it is important to say this, which is that we at the board try to represent it on the outside by way of speaking engagements and forums with employers, injured workers and labour, by community visits and through radio, television and treating agencies.

I try to make it a policy that 30 per cent of my time is away from the office. It is encouraging to me to bring about a feeling, and I have heard it said, that because of the attitude we have, the board is no longer a faceless bureaucracy. From all of this we can truthfully say we are better able to administer the act more effectively, efficiently and equitably.

We are looking forward to a very open and frank discussion. We welcome your criticism, constructive or otherwise. Be assured, notwithstanding what you may read or hear or what allegations may come to your attention, we are trying our best to seek that state of perfection which all of us want to reach, even though I and everybody else know that is a marvellous goal but at times one that is very hard to reach.

We are dealing with the 1983 report. In 1983, there were 344,758 new claims filed with the board, about 5,000 fewer than in 1982. I guess we can look upon that as being a result of a very poor economy and restraint. As well, we must give credit to the safety associations; with the knowledge and expertise they have been able to permeate throughout Ontario, people are more safety-conscious. As a matter of fact, I have often said the true answer in terms of getting rid of the board is to bring about a very safety-conscious society. I believe the safety associations are doing their part in that regard.

Of those claims, approximately 43 per cent were accepted as lost-time claims involving time off work and compensation payments. Another 51 per cent were accepted as no-lost-time claims for accidents necessitating medical treatment but no time off work beyond the day of the accident. The remaining six per cent included rejected claims, and withdrawn or pending claims.

Payments to injured workers on their behalf in 1983 totalled \$862 million in the form of compensation and benefit payments, health care payments to doctors and other treating agencies and vocational rehabilitation. The board awarded pensions totalling \$290 million under both schedule 1 and schedule 2.

A reorganization of the claims services division, begun in 1982 to speed up the claims adjudication process, was continued during 1983. In 1983, claims adjudicators assumed responsibility for answering complex telephone inquiries regarding individual claims. In this way, injured workers received more direct access to the claims adjudicator responsible for handling their claims.

In other developments aimed at enhancing services to workers, the vocational rehabilitation division undertook a program designed to better equip its counselling staff for the demands of rapidly changing economic conditions. Training programs for new counselling staff were updated, and analytic techniques applied to the study of employment trends were refined.

Some staff members undertook specialized training in ergonomics, or human factors engineering as it is sometimes called, to strengthen their ability to assist employers in designing or altering the work place to accommodate disabled workers.

The numbers of workers referred for first-time vocational rehabilitation services in 1983 rose by 5.6 per cent over 1982 to 6,318, even though the total volume of claims decreased slightly in the same period. Moreover, services were reopened for more than 1,800 workers, resulting in a total of 8,126 referrals in 1983, or an increase of just over six per cent from 1982.

At the same time, service was completed in the field in 7,722 cases, an increase of more than 25 per cent over 1982. Division staff also found 4,237 new job opportunities for rehabilitated workers, which again represented an increase over 1982, in this case a 12.7 per cent increase.

**10:40 a.m.**

I have taken great pride in one of the programs the board has pursued for the past few years—you have probably seen it advertised: "Back a comeback." We set certain goals in terms of trying to convince the injured workers that this goal should be met by their encouragement and acceptance of the program. This meant that several of the rehabilitation counsellors and/or employment counsellors would travel to various parts of the province, speaking to employers primarily and holding out incentives that would

allow them in the long run to hear about the program whereby they could rehire a rehabilitated worker. In this instance that is another answer to some of the problems or issues the board faces. The first solution, which I alluded to earlier, is to create a safe working environment, which is primarily the employer's responsibility. The last, but not least, is to rehire the rehabilitated disabled worker. We found the program was quite successful, and in due course you may like to ask questions about it.

Turning to the medical services division: like the vocational rehabilitation division its work load rose during 1983. Medical services staff not only monitor the medical care afforded to injured workers and advise on their treatment but also assess and pay health care benefits and related expenses, and participate in the development of appropriate claims adjudication guidelines. In addition, staff of the division evaluate residual impairment in claims for pensions, identify industrial disease trends, determine cause and effect relationships, and provide medical opinions for use in the adjudication of individual claims.

I know you all realize that under Bill 101, once it comes into effect, whether on April 1 or July 1, we will have an industrial disease panel which will be looking primarily at those issues on which I have just elaborated. I think it is going to be a very far-reaching and acceptable committee in regard to compensation for the future in this province.

In 1983, the number of claim files examined by medical advisers increased to almost 138,000, or about 2.5 per cent over 1982. The board paid out close to \$113 million in health care benefits and related expenses during 1983, up more than 12 per cent from the previous year.

A step-up in activities at the board's hospital and rehabilitation centre in Downsview was in line with the increased demand on medical resources in general. While overall admissions to the centre dropped by some two per cent to 11,434, there was a marked increase in the number of patients completing the full treatment program. This 7.6 per cent increase, to more than 6,500, reflects a rise in the number of complex cases handled at the centre in 1983. I am delighted that Mr. Mancini has taken upon himself, together with his colleagues—I think it has been generally agreed—to visit the Downsview rehabilitation centre.

Some of our medical staff are also involved in research projects, the results of which we hope will be of value in the treatment of injured



workers. In 1983 a study of the use of transcutaneous electrical nerve stimulators—TENS units, for short—demonstrated that these devices can control certain types of chronic pain.

A major study was begun into the subject of hand injuries, and during the year work progressed in the separate areas of spinal stenosis and amputations. As a result of one study, we know, for example, that patients undergoing treatment at our centre's amputee clinic are returning in large proportion to gainful employment.

As was seen in the areas of medical services and vocational rehabilitation, the work load also increased in the appeals area, with the number of appeals heard both by appeals adjudicators and by appeal boards up a significant amount compared with the previous year. For instance, appeals adjudicators held 3,170 hearings, 7.1 per cent more than in 1982. Appeal boards held 1,092 hearings, an increase of 10.4 per cent from the previous year.

At the first level, the appeals adjudicator level, 44.5 per cent of appeals were allowed or partially allowed, compared with 34.1 per cent at the second level, being the appeal board.

**Mr. Laughren:** Would you mind if I asked a question on those numbers?

**Hon. Mr. Alexander:** No, sir.

**Mr. Laughren:** Is it true that if you add the 44.5 per cent and the 34.1 per cent, which comes to 78.6 per cent, that is the number of appeals that are successful?

**Hon. Mr. Alexander:** I would think that is an excellent observation—or in part; just a minute.

First, it says 44.5 per cent of appeals were allowed or partially allowed at the first level. That is at the adjudicator level. Then from there—

**Mr. Lupusella:** Are we talking about the claims review branch as the first level of appeal?

**Hon. Mr. Alexander:** No, I am talking about the appeals adjudicator.

**Mr. Lupusella:** The adjudicator, okay.

**Hon. Mr. Alexander:** From there, they are submitted further, and with that number I guess we have to start adding and subtracting. In order to answer your question, we have to know what the base is.

**Mr. Gillies:** Yes, it would be 34.1 per cent of the lesser number.

**Mr. Laughren:** Of the remaining number.

**Hon. Mr. Alexander:** Of the lesser number.

**Mr. Laughren:** We can debate it later, but it would indicate to me that the claims review branch should be cleaning up its act a bit.

**Hon. Mr. Alexander:** They are in there in the first instance.

**Mr. Laughren:** I know, but they have allowed these to go to appeal and a large number of them are won.

**Hon. Mr. Alexander:** Right.

**Mr. Laughren:** We can debate that later.

**Hon. Mr. Alexander:** Fine. We will keep that question in mind, because I know that you will.

As you more than likely know, appeal hearings are held at the board's head office in Toronto and in seven other locations throughout the province: Sault Ste. Marie, Sudbury, Thunder Bay, Timmins, Windsor, London and Ottawa.

Regarding the first level of appeal, appeals adjudicators hear appeals in the centres outside Toronto at a frequency based on the volume of cases.

At the second level, the appeal board holds hearings outside Toronto by making trips twice a month, visiting each of the seven centres on a rotating basis. That is the appeal board process.

To facilitate the preparation of an appeal, the board provides injured workers or their representatives with photocopies of their claim files on request when a disputable issue exists. A disputable issue is an adverse decision made by a review group within one of the operating divisions of the board, which has been communicated in writing to all parties concerned.

All material in the claim file is accessible to the worker or the worker's representative, with the exception of medical information which the board considers potentially harmful to the worker if disclosed directly. This is important. Such information is sent to the worker's physician to be released to the worker at the physician's discretion, and the worker or worker's representative is so advised.

I can best explain this by taking the example of an accident—or a disability, as the case may be—where we are primarily dealing with a broken leg. If, within any of the medical reports coming from, primarily, the treating physician, a report refers to cancer, you can see the quandary the board would be in. This is what I mean by harmful; it is that type of information.

Perhaps that is an exaggerated example, but it is that sort of information that the board deems harmful. They do not withhold it; they would see that the injured worker can get it through his own physician.

As I was stating, a disputable issue is an adverse decision made by a review group within one of the operating divisions of the board which



has been communicated—I think I have read that part, have I not? Has anyone been following me?

Interjections.

**Hon. Mr. Alexander:** Am I on page 11? I think so.

Such information is sent to the worker's physician—I just wanted to see if you chaps were following this brief or not.

**Mr. Lupusella:** We are very interested in it.

**Hon. Mr. Alexander:** Thank you, Mr. Lupusella.

In 1983, the board found it necessary to invoke this safeguard—this is with respect to the harmful aspect I was talking about—in only 31 cases out of 7,702 requests for access to files, less than one half of one per cent of all requests. I know we are dealing with 1983, but in 1984, just for your information, we find the requests for files are up to more than 10,000.

Again, the employers are recognizing this right of access, and they too have the right of access, but only to those records which the board deems relevant to the issue in dispute.

In 1983, the employer was granted full access to the file in 95 per cent of cases. I must state that when the policy was originally initiated and implemented, there was some concern by the employers that they would not be getting as much as they thought, but because of the relevancy factor, which is part of the policy, it is now quite sure and certain that the employer gets just about all of the file because most of the material or whatever is in the file is relevant.

10:50 a.m.

I turn to the safety education activities of the board. Realizing this report covers the board's activities in 1983, events started in 1983 in the area of occupational health and safety which came to a fruition in 1984, deserve comment because of the importance of the subject.

Following two years of review and discussions with all interested parties, the board agreed to the formation of a new structure to administer its health and safety program to be effective July 1, 1984. This new structure, known as the Occupational Health and Safety Education Authority, replaces the safety education division and is responsible for implementing and administering the board's health and safety educational policy passed in June 1982.

I think what is extremely important to point out at this time is that the authority is tripartite in nature, with an administrator from management, an administrator from labour and a chairman acceptable to both parties. Each is a full-time

board employee and collectively they are responsible to the board through the vice-chairman of administration for the work of the authority.

**Mr. Laughren:** Who is the chairman?

**Hon. Mr. Alexander:** The new chairman on deck as of February 1 is Bob Bucher, formerly of British Columbia. Prior to that time it was Mr. Douglas Hamilton who had been a member of the corporate board. I think what is important about this thing, Mr. Laughren, is that at long last we have a tripartite approach which, in my view, is a very significant step with respect to safety education.

As you know, through assessments, the board funds the work of the nine safety associations, and an important responsibility of the authority is to review annually the programs and budgets of these associations. In 1983 the board granted more than \$26 million to support the work of the safety associations.

Supporting the authority is another new initiative, being the joint policy review board, which is composed of 12 members appointed by the board for a three-year term following a board consultation with the labour and management communities. I must say we are very pleased to note the co-operation that does exist between management and labour and that all 12 slots are now filled, six and six.

This review board acts as a forum for management and labour to address problems of health and safety education, and to make recommendations on these questions to the authority and to provide it with policy direction.

Throughout the year, a matter that I think is of interest to many members is that the board continued to decentralize its services outside Metropolitan Toronto. In the London regional office, the board completed a pilot project to investigate the administration of prosthetic devices, orthotics, and clothing allowances. The project found this aspect of decentralization to be beneficial to injured workers and, therefore, it has become a permanent function, not only in London but also in the Sudbury regional office.

In addition, a feasibility study involving the decentralization of pension activities in the Sudbury regional offices was begun in 1984 and is still under way. I expect a conclusion—

**Mr. Laughren:** Please hurry up.

**Hon. Mr. Alexander:** Sir, we are here to serve, and when I hear the voice of Floyd Laughren crying in the wind, and I am here and my colleagues are here, certainly—

**Mr. Gillies:** From the wilderness.

**Hon. Mr. Alexander:** No, I did not say that. Make sure the record shows that Alexander did not say "from the wilderness." No, but it is a good point.

**Mr. Laughren:** Is something we support, such as decentralization, a good point?

**Hon. Mr. Alexander:** It is a good point. That is why we are moving ahead, sir.

Let us carry on. During 1983, about 15,000 new claims were reported to the Sudbury regional office and about 19,800 were reported to the London regional office. Together the two regional offices manually processed approximately 74,000 lost-time payments during the year, along with some 172,000 health-care benefit payments.

In addition to the two regional offices, the board has offices in Windsor, Kitchener, St. Catharines, Hamilton, Kingston, Ottawa, North Bay, Sault Ste. Marie, Thunder Bay and Timmins. Staff at these offices continually schedule visits to communities that themselves are not easily accessible to board offices. Visiting counselling services were regularly scheduled in 12 Ontario communities in 1983.

Further, in regard to communication with the public, and given the diversity of languages spoken by the residents of Ontario, the board is fortunate in having among its staff the capability to communicate in more than 40 languages. However, in keeping with the government's policy of providing service in the French language, the board in 1983 continued its planning to provide direct service in French to our francophone clients.

Of course, Bill 101 provides that "services under this act shall, where appropriate, be made available in the French language," so there will be legislative authority for the board's initiatives. This is a departure and it is now enshrined in stone, as you would put it, because of the activities of you, Mr. Chairman, of other members of this committee and/or other committees and of MPPs in general.

We have undertaken surveys of staff to determine French-language capability and our human resources division has interviewed prospective suppliers of a testing program for staff to determine the level of French proficiency.

At present we are working hard to make available in the spring of 1985, French or bilingual versions of more than 200 forms used in communicating with workers, employers and treating agencies.

The introduction of French-language services involves substantial resources of money and time

as well as of manpower, to determine the best way of providing these services without introducing any delay into our work of processing the claims of Ontario's injured workers, determining their entitlement to benefits and paying these benefits. For your information, the government co-ordinator of French-language services, Mr. Clément Sauvé, is kept fully informed of the board's progress through our French-language co-ordinator.

Turning now to financial considerations—I will just touch on this because I know there will be several questions with respect to it—the year 1983 was a time of fiscal reassessment marked by a series of discussions with employers about proposed increases in their assessment rates.

Through these discussions the board expressed public concern about the size of its deficit. In 1983 the gap between board resources and projected liabilities grew to some \$2 billion, up from \$1.4 billion, or a 42.8 per cent increase. Of that \$2 billion, \$500 million represents a partial provision for possible cost-of-living adjustments that may be legislated in the future. However, if one takes full account of possible future cost-of-living adjustments—as it seems reasonable to do, I would respectfully submit, given the annual adjustments legislated during the past decade—then the unfunded liability may reach \$5 billion or more.

The board's discussions with employers have been positive. Industry was given a say in how the shortfall might be reduced and in how the situation can be addressed in the future. Everyone involved now realizes that higher assessment rates are part of the answer and that full provision for legislated increases in benefit levels must be phased into assessment rates.

In 1983, assessments rose to \$789 million, an increase of just over 12 per cent from the previous year. The ceiling on earnings used in computing compensation was raised from \$24,200 to \$25,500 on July 1, 1983. However, the board postponed any increase in the ceilings on assessable earnings until January 1, 1984, recognizing that an immediate increase would impose undue economic hardship on employers.

**11 a.m.**

I must say at this time that in one way I am glad we have had the fallout, if you will, regarding a terrible economy, because it has meant that at long last everything is in the open. It means that now not only the board but also the Provincial Auditor, the superintendent of insurance, our outside consultants, MPPs and interested parties all know what the problem is and all know,



particularly employers, that we have to sit around the table in order to bring about a solution to what is an issue that is of some concern to some people.

What I am saying is that the board on several occasions, and over the last two or three years in particular, has made a point of regularly meeting with employers who, as you know, are responsible for paying assessments to the board in order to see whether we can devise a game plan. Those discussions are still going on.

We are just about through. I hope I have not taken too much time, but I think it is important to bring it into sight every now and again.

The estimated payroll reported by schedule 1 employers increased slightly to \$41.8 billion in 1983 from \$40.8 billion in 1982. The number of employers covered under schedule 1 rose to 164,000 in 1983 from 160,000 in 1981.

I trust this very short review of the board's operation in 1983 will be of assistance to you. Having said that, I know we are now in the year 1985, so there is a sort of backlog or hiatus or void there, but be sure that my colleagues and I are prepared to answer such questions as you deem fit to ask. Therefore, at this time I am pleased to place my colleagues and myself at your disposal for questions. I know you have to hear from the two opposition parties by way of their statements.

That is all I have to say, Mr. Chairman. I thank you, the committee and the audience for your undivided attention.

Sitting with me is Mr. Doug Cain—

That is all I have to say, Mr. Chairman. I thank you, the committee and the audience for your undivided attention.

Sitting with me is Mr. Doug Cain—

**Mr. Laughren:** We thought he was part of this committee.

**Hon. Mr. Alexander:** I was going to say he is a very good friend of mine. It is a good thing I did not say that, and then you forget the name of the chap who is the associate secretary.

I want to thank you in particular for the treatment and the recognition you gave to Mr. Cain because apparently he was here throughout the entire deliberations on Bill 101. I have a feeling he was helpful. I am pleased he was helpful and I want to commend him publicly now for the sensitivity he has shown with respect to your questions and your concerns vis-à-vis Bill 101.

**Mr. Laughren:** Maybe it was because he was a nonadvocate.

**Hon. Mr. Alexander:** I thought he was excellent. He answered what you did not know and that is what he was there for.

Next to him is Mr. Bob Reilly, who is the assistant general manager. Mr. Alan MacDonald, as you know, is the vice-chairman and general manager. He just recently underwent an operation and is not able to be here with us this morning. I was speaking to him yesterday. He wanted to be here but unfortunately he could not. In his stead, we have an excellent colleague of mine, Mr. Bob Reilly, who is assistant general manager.

That is all I have to say, Mr. Chairman.

**Mr. Lupusella:** With the greatest respect, you mentioned Doug Cain. I want to make sure he reported to you how very frustrated the NDP was during the final debate on Bill 101. Did he do that, or else I will change my mind about his performance.

**Hon. Mr. Alexander:** I did not hear the last part about the performance. Would you repeat that? You were impressed with his performance? Yes, I agree with you in that regard.

Mr. Cain reported either to me or to Mr. MacDonald on a day-to-day basis, sometimes two or three times a day, if you people let him out. Yes, we had ongoing deliberations in terms of advising us as to the concerns of the committee, the real concerns, the various issues, the progress that was being made and possible amendments that would be entertained.

**Mr. Chairman:** Mr. Alexander, Mr. Cain certainly did a commendable job in serving on your behalf and on behalf of the committee during our deliberations on Bill 101. We were pleased with his assistance throughout the sittings.

**Mr. Gillies:** This is Doug Cain Week.

**Mr. Laughren:** Is this an epitaph?

**Hon. Mr. Alexander:** When are you going to the people? I will be praying for you, Floyd.

**Mr. Gillies:** Mr. Chairman, if this in fact is Doug Cain Week, I should just add that the minister, the ministry and I were delighted with the help he was able to provide us in formulating Bill 101 and, indeed, with the valuable contributions from all members of the committee, especially our friends—I will not say it.

**Mr. Lupusella:** I have a question for the parliamentary assistant. Is the Minister of Labour, Mr. Ramsay, still a minister of the new administration in Miller's Ontario?

**Mr. Gillies:** Nothing has changed.



**Mr. Lupusella:** I was just wondering.

For the benefit of injured workers sitting here, I would like to say that the members of this committee noticed some workers came in late and do not know what is going on. If I may have your indulgence, they were under the impression they would be making a presentation before this committee. I would like to tell them the motion was defeated. The Union of Injured Workers and the injured workers' groups are going to hold a press conference at one o'clock. I would like to tell them to be there. Can I say that in Italian, Mr. Chairman?

**Mr. Chairman:** If you would like to relay that to them, you may.

**Mr. Lupusella:** [Remarks in Italian].

**Mr. McKessock:** Before we go on, Mr. Alexander mentioned there is a time lapse between the 1983 annual report and 1985. I wonder whether there is anything he would like to say about whether any great changes in percentages in any areas have happened during the past year which would bring us up to date as to what has transpired over the past year.

**Hon. Mr. Alexander:** I will certainly take that question as notice. Several of my colleagues would be able to answer as to definitive cases with respect to statistical information when you are ready to ask questions. We said the claim volume was something like 344,000 in 1983; at the end of 1984 it was something like 388,000.

That kind of information can be given to you. If it cannot be done at the time you ask the question, it may be answered later on. Please do not hesitate to ask questions. It is only fair that you deal with 1983, but we have the expertise to get involved with questions that would apply to 1984. Of course, we are only into the first couple of months of 1985.

**Mr. Chairman:** I wonder whether we could reserve questions of that nature for the general question period. We should proceed with responses from the two critics.

**Mr. Haggerty:** I thought my colleague raised a valid point. We should be dealing with this on a current-year basis instead of being two years behind. Sometimes there are important changes, such as the new amendments to the act. They may have some bearing on the direction the board will be taking in 1985. Nothing has been mentioned about Bill 101 and the effect it will have on the board's operation.

I am deeply concerned about the 1983 report, particularly in relation to the unfunded liability. It states: "The Workers' Compensation Board's

'unfunded liability' has been rising steadily over the last few years. While the board has assets in cash, securities and property with which to cover part of the liability..." It only says "cover part of the liability." That is a question I would like to have someone reply to. It continues, "any remaining liability represents a concern to those responsible for maintaining the stability of the province's workers' compensation system."

"In 1983, the unfunded liability—the gap between the board's liabilities to injured workers and the board's assets available to pay these future costs—grew to approximately \$2.0 billion, up from \$1.4 billion in 1982."

**11:10 a.m.**

That is a substantial increase in the unfunded liability. The Wyatt Co. report suggested that the unfunded liability would be about \$4.9 billion. Looking at that, one might have to question the management of the board in this area. They are running into serious problems with the deficit.

Bringing it down through the system of workers' compensation, this is where we find the difficulties in the appeal procedures. It is moving from three months, six months, to a year and perhaps longer to establish an appeal at the final level, the third level. I suggest this may be the difficulty that is delaying the appeal system. It is not proceeding as it should.

The undue hardship that is caused by the delays in the appeals system is unbearable to the injured worker. I recently went through a claim. The accident happened in 1977. I believe that claim resulted in 696 pages in a short period of time. The hassle this person was getting from the board—I say it was a hassle because that is what it was; there was sufficient medical evidence to override any decision of a medical review panel at the board.

We are dealing with specialists in this area. It was frightening to read in that report that at one stage the worker tried to commit suicide. That is only one. How many other injured workers are caught in this squeeze? I suggest this is the downfall of the workers' compensation system. There is not sufficient funding to look after the injured worker.

In one place in the minister's opening statement he mentioned the \$2-billion unfunded liability. About \$500 million is set aside for cost-of-living increase that may be given to workers injured 15 or 20 years ago. You are using this, but you are not using it in the proper manner. It should go to the injured worker. That is the point we should be looking at. I get it from the other side too, from the employers who are

concerned about the costs, the unfunded liability and the increase in their assessment costs.

If I could pull some figures out of the air, with suggestions to the board and the chairman when we look at the overall structure of funding for workers' compensation, he mentioned in his report the decline in the economy. We can see the revenues of the workers' compensation system may drop in that area.

In 1977—my colleague the member for Nickel Belt (Mr. Laughren) would confirm this—dealing with the layoffs at Inco, one of the top officials said the company's cost for workers' compensation assessments was \$18 million, based on the number of employees. The work force at Inco, and even at Falconbridge, has gone down considerably. They are at only one third of their work force. So the assessments will be lower in this area. It is no longer one of the major contributors in revenue for the workers' compensation system.

I think of the number of plants and industries that have closed their doors, closed shop in Ontario, and the loss of revenue to workers' compensation. There is a concern by employers that they will have to pick up additional costs in this area. I think of one industry that caused serious health-related problems—one could relate a number of them to this area—which closed its doors and cut back its operations. The revenue would be lost. Then we would have a continuing number of injured workers who, due to the latency of industrial diseases that come up 10 or 15 years later, are without recourse because the industries have closed their doors, the industries are gone.

The government should help pick up the lost revenue. When new industries locate in Ontario we are going to have to ask them to put up a bond in this area as anybody else does, saying in effect, "You are going to have to secure your operations here. If you close the doors and there are a number of employees who have been injured there, it should not be that we have to go back to the older employers and say, 'You are going to have to pick up this cost.'"

This is an area you should be looking at to help bring down the cost of workers' compensation to a level where you are operating without a deficit. I find it rather difficult, looking at a corporation the size of the Workers' Compensation Board, to find that you are in a position of deficit funding, that you actually do not have enough assets to cover that loss. I believe it has been suggested in the Wyatt report that the Workers' Compensation

Board will eventually have to go to the consolidated revenue fund to cover that loss.

**Hon. Mr. Alexander:** I do not know how you want us to approach this situation.

**Mr. Haggerty:** That is your problem, but I am suggesting to you that—

**Hon. Mr. Alexander:** My only problem is that I want to know whether I am supposed to answer the question now.

**Mr. Haggerty:** You can answer when I get through with this, and we will get on to it. I think you are going to have to come up with some numbers unless you have something current there, as my colleague has said.

**Hon. Mr. Alexander:** We will be able to give you whatever you desire.

**Mr. Chairman:** Obviously, the critics are going to raise a number of questions in their responses. I would rather deal with them in a reply after both critics are finished.

**Mr. Haggerty:** I bring this to your attention because, when I sense the financial difficulties the Workers' Compensation Board now finds itself in, I think the person who really suffers is the injured worker. Over the years, as I have seen, we have just given him little bits in piecemeal fashion. We have talked about the \$500 million sitting there now that could be used for the cost-of-living bonus to the injured workers. It is a waiting game for those persons who are injured. No wonder they are frustrated and that perhaps it even leads to attempts at suicide.

**Mr. Chairman:** That is fine. I appreciate your raising these points, but perhaps you can complete your statement and questions, then we will have the same from the New Democratic Party, and Mr. Alexander and his group will be able to respond.

**Mr. Haggerty:** That is just a question I have thrown out. I am leading off here for the Liberal Party and I want to bring forward our concerns.

**Mr. Chairman:** It is just that I do not think we should get into a debate or a long discussion on each question right now. I would rather hear all of your concerns, if it is all right with the committee; then we will hear from the NDP critic, and Mr. Alexander and his people can respond.

**Mr. McKessock:** Mr. Chairman, just on your point, I think we should have a response to each critic after he finishes, before it gets cold. I do not like to move to another one before we hear the response.



**Mr. Chairman:** It is all right with me. We will do it that way then. I think Mr. Haggerty should raise all his points first.

**Mr. Haggerty:** That is one of the major concerns I find. When you are dealing with injured workers and you hear their complaints—I have met with them, as all members of the Ontario Legislature have, and have heard a number of their complaints throughout the Niagara Peninsula—you find one of the concerns is the delay in payment and the frustrations they have to go through in the appeals system. They can have some of the best medical evidence provided for them, based upon their current injury and their degree of disability, but they experience difficulties and hassles from the board.

To support what I am saying, I have a letter here from a well-known law firm in Welland, Ontario. The writer's name is Forestell. I am sure a number of my colleagues on the other side know that name very well. It is directed to the chairman of the board, Mr. Alexander. The claim numbers are C10718074, C12594276 and C12685034.

In a number of claims I have reviewed, I find the numbers game is coming into the picture now. There can be a recurrence of the injury while the person is back on the job, a new claim is established and you have to appeal on that one and on another one and so on. There is just no end.

**11:20 a.m.**

I will go back to the letter, which says:

"I am writing to you concerning the above-captioned files because I have, quite frankly, completely lost patience with the Workers' Compensation Board over this file.

"In December of 1981, a legal aid certificate was issued by the legal aid office in Welland to the injured worker. As a result of a referral from the Law Society of Upper Canada, the injured worker was sent to see me at my office, and although at that time I was not doing any legal aid work, in view of the problems that the injured worker had outlined to me and that his doctor, Dr. Morgan, had set forth, I undertook to take his matter on and arranged with legal aid to handle it.

"I first started correspondence with the board with a letter dated February 11, 1982, which was replied to by a Mrs. A. Vahi, claims adjudicator, under date March 2, some 21 days later.

"Subsequently, the board started writing directly to my client, bypassing the writer, and again I wrote to the board on November 24, 1982. It took from November 24 to January 25,

1983, to receive a reply to that letter. There then followed numerous pieces of correspondence between the board and the claimant and various other people.

"In the meantime, in 1983 the claimant suffered another injury at his place of employment and again there was various correspondence back and forth and you will recall that I wrote to you, Mr. Alexander, on November 1, 1983, concerning this file. You very promptly replied to me on November 1 advising me that when you had an opportunity of looking into the matters, you would write to me again. On November 8, 1983, I received a letter from the appeals service concerning these claims advising that action was being taken and I would be notified in the near future.

"You subsequently wrote me on November 9, 1983, with a very full explanation, for which I thank you. Mrs. Barr continued to write letters directly to the client rather than to me, although she did have the courtesy to send me copies.

"The correspondence continued throughout 1984. Finally, on February 27, 1984, I replied by a lengthy letter, a copy of which is enclosed, and filed notices of appeal which had been previously appealed, but in order to attempt to clarify the situation, I filed completely new notices, as indicated in the letter of February 27. My letter enclosing the new notices of appeal went out on February 28, 1984, and it was acknowledged by letter dated March 14, stating that action was being taken and I would be notified in the near future.

"Subsequently, by letter dated March 19 which had a notation of April 2, 1984, yet the letter was received by me on March 22, I was advised that:

"Therefore this is to advise that once all issues have been properly dealt with you may then write to the office of the registrar of appeals and a hearing date would then be expedited."

"Mr. Ray Haggerty, MPP for Erie riding, became involved in the spring of 1984, as a result that I was receiving no substantial information as to when an appeal could be heard, even though the appeals had been filed in February. Again, on March 28, I was advised that my communications had been received and I would be notified in the near future.

"Again, on April 25, 1984, M. G. Falco wrote to the claimant, with a copy to me, and again wrote to the registrar of appeals on April 30, 1984, and again response on May 4 advised that action was being taken and I would be notified in the near future." That sounds like the fullness of



time. How often I have heard that expression in the Legislature.

"As a result of the delays in the matter, the legal aid branch of the Law Society of Upper Canada indicated that they would cancel the claimant's legal aid certificate because nothing had been done and again I was required to get this certificate reinstated.

"On September 20 I wrote the board again requesting that a hearing date be set for the month of October. Subsequently on September 25 I received a letter from a Mr. K. McLean, claims adjudicator, advising that this matter would be referred to the field branch and will advise me as soon as possible. This letter was received on September 28. Subsequently, on November 1, a letter dated October 26, I received a letter from E. Mroczek, appeals adjudicator, a copy of which is enclosed. This was responded to on November 5 and this is the last written correspondence I have had from the board.

"During the week of December 17 I phoned the appeals section of the board," asking for further information and was "advised that he was busy and some girl in the office, who did not identify herself, asked me for the claims numbers and I then proceeded to give her the claims numbers, advised her that I was calling to ascertain whether the appeal would be heard as the situation was a desperate one. This young lady promised to phone me back that afternoon and did not and to this date has not phoned me back.

"Subsequently on January 11, 1985, I placed a call to"—the Workers' Compensation Board—"at approximately 2:15 p.m. and advised him of how upset I was about the entire situation. Mr. Mroczek advised me that he would get the files and would be back to me within 10 minutes.

"At approximately 2:30 in the afternoon a Mrs. McKay phoned my secretary and advised her that the appeal could be heard on May 14, 1985, and not before. She instructed my secretary to phone her back and I instructed my secretary not to call her back, that I would. At approximately 2:40 p.m. on the 11th I phoned Mr. Mroczek who was supposed to have phoned me back but did not and was advised that he was out of the office and then asked for Mrs. McKay and in speaking to her she advised that Mr. Mroczek would not be phoning me back and he had no authority to set the appeal date and that I could either take May 14 or leave it.

"To suggest that when an appeal has been pending for one year a hearing date cannot be before May 14 in my opinion is a ridiculous and

an abusive process. I feel it is necessary to bring this to your attention. I would be pleased to hear from you.

"Yours very truly,

"Forestell, Talmage, Stratton and Latinovich,  
"M. Paul Forestell, QC."

That is an indication of what really goes in the board. That is just one case he is involved with. I am sure other members and the Injured Workers' Consultants run into the same difficulties.

It just seems there is delay after delay without any consideration for the injured worker. Many times he has lost his employment; his sick benefits may run out and there is very little left for him to do but to go on welfare. In many cases many of them take that approach.

I know there are area offices; there is one in St. Catharines. The difficulty some have even in going to that office to get answers is ridiculous.

I understand from your opening comments that you have worked out a new process to expedite matters in claims review and appeal systems, but it is not working. There is continued delay.

I think all members appreciate the service and assistance we get from the special consultant we have at the board. We are fortunate to have that pipeline, but many people and the unions are finding it difficult to proceed with the appeals and there is delay.

I was also concerned about Bill 101. I see nothing in the minister's report about the direction the board is going to take on the Dupré royal commission report, the one related to asbestos. That is a difficult area and is a matter that has been through the mill on a number of occasions. It has been debated in the Legislature for years. It has been debated in the discussion on Bill 101, the last amendment to the Workers' Compensation Act.

We find that very little action has taken place. We still rely upon the advice given by the board's chest and respiratory specialist, Dr. Stewart. The decisions he has given totally ignore the Dupré report.

I was interested that one of the recommendations was that the benefit of the doubt should be given to the injured worker, regardless of his years of exposure. I think the words used were that the benefit of the doubt should be given "without any questions being asked." As long as it has been indicated that the person has worked in an industrial environment containing asbestos, perhaps in the paint manufacturing business, there should be no questions asked.

11:30 a.m.

I find that the board is not taking a good, close look at the recommendations of the Dupré report. I have to go back to a letter from Dr. Stewart and the advice he has given to the appeals in that area. He has as much as said: "Lay it aside. We are not concerned about the recommendations in that report."

I would like to direct a question to the chairman of the board. What is the position of the Workers' Compensation Board concerning the Dupré report? Is it going to accept those recommendations, or are they going to be held in limbo while injured workers wait for a final decision of the board to accept the in-depth study funded by the Ministry of Labour?

**Hon. Mr. Alexander:** Do you want the answer now?

**Mr. Haggerty:** You can give it to me now.

**Hon. Mr. Alexander:** I think we are all concerned with what the Dupré report said, but we should also point out publicly that the report indicated the board has done a pretty good job with what it had regarding a very difficult and complex situation. That is something that has to be said.

The report itself has been under active consideration by both the Ministry of Labour, which is responsible for occupational health and safety, and, of course, the board, which is involved with claimants applying for industrial disease benefits.

But what you have to say that you did not say is that Bill 101 does direct its attention to industrial disease. As a matter of fact, one of the important initiatives taken by Bill 101 is the setting up of an industrial disease standards panel. I think that will occur about July 1. This is something that has long been looked at and is now going to come to fruition on July 1.

Many of the questions you have brought to our attention—and I do not take them lightly—will be directed to that standard. In other words, we have done the best we could with respect to what we had in attempting to rationalize, if you will, an approach to the recognition of industrial disease. The Dupré report says that, and I want it said again as well.

But having said that, I believe we needed help, and the help will come through the industrial disease standards panel, to which many of these problems with respect to industrial disease will be directed, so we can have the benefit of its expertise concerning criteria and guidelines in the future.

I say with a great deal of respect that we cannot say Bill 101 did not address this issue. It did

address this issue. You addressed the issue, sir, by saying, "Yes, we do need this sort of body," because for some reason or other we do not appreciate what the board has been doing; it is an in-house thing. I do not agree with that. We had looked at the medical expertise around the world and made comparisons, and we were therefore up to date as far as our abilities were concerned.

Having said that, I think the industrial disease standards panel, if that is its correct name, will be looking into the sort of things you are talking about now vis-à-vis the several unknown industrial diseases that perhaps have not even hit the figures yet.

**Mr. Haggerty:** So you can assure me that something will be done in this area within the next 12 months?

**Hon. Mr. Alexander:** Absolutely.

**Mr. Haggerty:** What about those claims that had been pending for an appeal or a decision of the board now and the appeal system had denied them? I think in this one case the person was involved in the industry for some 20 years and, according to Dr. Stewart, he has not been there a sufficient time. He may have been 20 minutes or half an hour each day in the mixing tank.

**Hon. Mr. Alexander:** All I can say is that once we have the industrial disease standards panel in place—and, of course, you know I have no responsibility in that regard—we will try to determine from that panel in due course the standards and guidelines that will bring us up to date with respect to the whole question of industrial disease.

Once we find out what they are talking about, it will be up to the board to ask, "Where do we go from here with respect to future claims and/or past claims?" But I do not think you would want me to say now that we are going to do this and we are going to do that without my having had the benefit of the expertise of the industrial disease standards panel.

Be assured that I take this as seriously as you do. I am pleased you brought your concerns to me in respect of this point. It is not going to be hung up, as you say, or hidden. The report will be acted upon one way or another and primarily by the industrial disease standards panel.

Once it is set up, if I am around, one of the first priorities of this board, once the members thereof are appointed, will be to put several and various issues before them to see that what we are doing in terms of adjudicating claims vis-à-vis industrial disease is up to date and acceptable.

**Mr. Gillies:** Further to what the chairman has said, as you know, it is the responsibility of the



Ministry of Labour to come up with the composition of the industrial disease standards panel. I want to assure you that we are proceeding with that work and in the coming months it will come to be.

I would take some issue with your statement that the ministry or the board is unconcerned or is not going to be acting with respect to the report on asbestos. As you can well imagine, one of our prime concerns, and one of the immediate tasks that will await that industrial disease standards panel, will be the question of asbestos. I can give you every assurance that will be coming forward.

As to your point on past claims, it would be premature for me to say how the board will react in terms of past claims as they are brought forward again before the industrial disease standards panel. However, I would not think it would be unreasonable that some past claims, in the light of new evidence, might be reopened. That will remain to be seen.

**Hon. Mr. Alexander:** I would just say that in the event the criteria or guidelines change, it has always been the practice of the board to look back, if you will, in retrospect.

**Mr. Haggerty:** I am delighted to hear those comments, because when you are talking about further instructions and directions in this area and further guidelines to be established, is it right for the board then to deny an appeal based on what the present board policy is? Perhaps they should have said they would wait to find out what the new panel is going to do and what new guidelines are coming. I do not think the board should be making any decisions in this area.

**Mr. Gillies:** All I would say to that, though, is that you have voiced the concern and a fairly legitimate concern about the delay some claimants are experiencing on appeals. I wonder if we would be doing them any great service by saying we will not be hearing their appeals on this issue until some work as yet not done, by a panel as yet not struck—

**Hon. Mr. Alexander:** I could not accept that. We have to keep moving ahead. From day to day, month to month, week to week, year to year, guidelines change because the expertise is becoming more generally known with respect to approaches to issues that involve industrial disease or any other matter the board has to contend with. Therefore, we should not sit and wait on something like this. We have guidelines. They may not be perfect, and I guess this is the question; they may not be as good as they could be, but in the meantime we have to try our best to adjudicate on the basis of what we have now.

You have the assurance, and I have just indicated this, that if the guidelines and the criteria are changed, I have been advised by my colleagues there will be a review of those cases that perhaps were rejected in the past because of the guidelines that were in existence at that time.

**Mr. Lupusella:** I would be interested to know who is going to start the action of the review. Is it the claimant or the board?

**Hon. Mr. Alexander:** Which review are you talking about, sir?

**Mr. Lupusella:** Of claims that were rejected previously. Because of the change of guidelines, eventually they have a right to a review. But, as you know, to initiate an action in the appeal system the claimant has to approach the board. I think my friend would be interested to know whether, instead of the claimant, because he is not aware of the new guidelines, the board will initiate the action on behalf of the claimant.

11:40 a.m.

**Hon. Mr. Alexander:** That is rather a good point. I will call on Mr. John McDonald, the executive director of claims, who has considerable expertise with respect to this. It is just the same as when the beneficiary at any time is changed. How does the person know the benefit structure has been increased? Now we are talking about change of guidelines or criteria. How does he know and what do we do to facilitate the whole new program, as the case may be?

**Mr. McDonald:** In the past when guidelines have changed and there have been minimal changes in those guidelines, we have gone back ab initio and reviewed those cases. It is dealt with. I see the same thing occurring in future.

**Mr. Gillies:** The board would contact the claimant if, after the disease panel's work, it became apparent some cases should be reviewed.

**Mr. McDonald:** I do not know that we would necessarily contact the claimant unless it was a positive decision. What one would be looking at would be a review of the individual case. If it were necessary to gather further information, one would do that. It could possibly involve contact with the claimant, but it would have to be dealt with on an individual basis.

**Mr. Lupusella:** What about claims in which the claimant, as my friend has stated, lost a case as a result of the present guidelines? Are you going to reopen those claims in view of the new guidelines and advise the claimant to initiate some action?

**Mr. McDonald:** I believe I just said that, Mr. Lupusella.



**Mr. Gillies:** That is what Mr. McDonald said.

**Mr. Lupusella:** Why do you not make a distinction about lost cases and pending cases? As far as I am concerned, there is a difference. A lost case might sometimes go to the archives.

**Mr. McDonald:** A record is kept of the individual cases for industrial diseases. I have indicated that we would be prepared to review them. I do not know what else you want me to say.

**Mr. Haggerty:** I am raising that point as well because in the Report of the Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos in Ontario, under "Determining Eligibility for Compensation" on page 709, recommendation 12.10 says, "Section 122(9) of the Workers' Compensation Act should be amended so as to stipulate an irrebuttable presumption in favour of the claimant." It is very specific in that area.

One of the comments in the memos of Dr. Stewart—I am just quoting from memory now—suggested that although the claimant worked around 20 years in the asbestos environment, it was not sufficient time. There is only one stage in the whole process of Ministry of Labour staff checking the environmental issues at the plant. Once they monitored it, they found asbestos levels were higher than normal. That is once in a 20-year period. That represents a good track record for the Ministry of Labour.

We talk about reducing the number of injured workers and the claims before the board, but the ministry should be monitoring these places more often, particularly in relation to industrial disease.

We spend \$26 million to support the work of safety associations. If we took about \$13 million of that and did a good hygienic program in industries known to be related to occupational diseases, we would probably do more good than by just advertising on the radio. We have gone through that bit about the chap who came down with asbestos poisoning and we said, "If we only knew." We look at the ad on television and it sure is frightening, but we put the onus on the injured worker. That should be a day that has passed.

**Hon. Mr. Alexander:** Mr. Haggerty, I knew there was something in the act that addressed your concerns. If you look at page 30 of Bill 101, you will see your question has been looked at and answered. I refer you to subsection 34(9a), which reads, "If the worker at or before the date of the disablement was employed in any process mentioned in the second column of schedule 4"—that is a new schedule—"and the disease

contracted is the disease in the first column of the schedule set out opposite to the description of the process, the disease shall be conclusively deemed to have been due to the nature of the employment." I think your concern has been addressed.

**Mr. Haggerty:** Where is schedule 4? I do not see it.

**Hon. Mr. Alexander:** That will be a new schedule.

**Mr. Haggerty:** What are we talking about? I raised the matter with the minister during the debate on Bill 101. I wanted to know what we were talking about in schedule 4. What are we looking at?

**Hon. Mr. Alexander:** Mr. Doug Cain was involved.

**Mr. Haggerty:** It sounds as if it is top secret.

**Hon. Mr. Alexander:** No. I do not know the answer and—

**Mr. Gillies:** We are just—

**Mr. Haggerty:** Are you just drawing it up now?

**Mr. Gillies:** No. I did not say that. We are just drawing that and there was a great deal of data with which we were dealing with regard to Bill 101, which I want to make sure we give you. Just before Mr. Cain replies, I might say—

**Hon. Mr. Alexander:** You have made me nervous, so I need a puff.

**Mr. Gillies:** There goes the atmosphere again.

**Hon. Mr. Alexander:** No, I have only two puffs.

**Mr. Haggerty:** As long as we are going to be compensated for it.

**Mr. Gillies:** I just want to assure you, Mr. Haggerty, with respect to your comments about air monitoring in asbestos, the reason that Bill 101 included the introduction of the industrial disease standards panels and the reason we are moving in this area is that we want to do a better job. I will be very honest with you. We want to see all of the most up-to-date scientific data available to protect the workers in our province from dangerous substances.

All I am saying is I am not going to be an apologist for all the situations in the past, but I am going to say that asbestos and other substances that can be considered dangerous are going to be dealt with, as you can well imagine, in new ways following the introduction of Bill 101. We are not maintaining the status quo in this regard; we are doing it better.

**Mr. Haggerty:** It is important that schedule 4 should be out here now. We are well aware that the injured workers or the persons employed in the industry should be aware of the potential health hazards and I suppose with that schedule 4 we do not have to list the different categories in this particular—

**Mr. Gillies:** We could ask Mr. Cain to enlighten us.

**Mr. Cain:** When it was considering the new bill, the committee referred to the Dupré commission report. At that time, recognizing that the commission suggested there should be in the Workers' Compensation Act certain diseases clearly stated, as you say, irrefutable facts that they come from that industry, the committee chose to put in subsection 9a. The schedule that will be called schedule 4 will contain that type of disability of disease.

I remember some committee members mentioning that perhaps an appropriate disease to include in that schedule, though it had not been decided, was mesothelioma. In any event, it was chosen—

**Mr. Haggerty:** That is in schedule 3 now.

**Mr. Cain:** It was decided that perhaps that kind of disease could be included in schedule 4, but it was also decided that with this new industrial disease standards panel, and this will be part of its responsibility, it would really be most apt if this whole question was directed to them. Schedule 4 has been provided, now the industrial disease standards panel can assist in that. Of course, the board will be involved as well, but certainly the standards panel will consider diseases that ought to be there.

**Mr. Haggerty:** Who will this panel consist of?

**Mr. Gillies:** I wonder if it might be valuable, Mr. Chairman, if we just review very quickly the criteria, the clauses in the act that lay out the responsibilities of the industrial disease standards panel. It is in Bill 101, Mr. Haggerty, in section 86(p). I will not read it all, but very briefly.

This section constitutes an industrial disease standards panel. "(2) The panel shall be composed of not more than nine members including persons representative of the public and of the scientific community and technical and professional persons. (3) The members of the panel shall be appointed by the Lieutenant Governor in Council...(4) ...remuneration," etc.

"(5) The chairman of the panel, subject to such guidelines as may be established by the Manage-

ment Board of Cabinet and the provisions of the Crown Employees Collective Bargaining Act may establish job classifications, personnel qualifications...for the officers and employees of the panel."

This is the key part. "(7) It shall be the function of the panel (a) to investigate possible industrial diseases; (b) to make findings as to whether a probable connection exists between a disease and an industrial process, trade or occupation in Ontario;" as I recall, we amended that to address some concerns of committee members, "(c) to create, develop and revise criteria for the evaluation of claims respecting industrial diseases; and (d) to advise on eligibility rules regarding compensation for claims respecting industrial diseases."

11:50 a.m.

It goes on; there is quite a bit there if you would like to see it. That is what we are about, a more broadly representative and expert panel to delve into this whole area.

**Mr. Haggerty:** When can we expect some action on this? When is the panel going to be set up?

**Hon. Mr. Alexander:** As I understand it, the proclamation of Bill 101, particularly with respect to the new structuring, is supposed to be on July 1. I will not go any further. Maybe Mr. Gillies can add to that.

**Mr. Gillies:** You can well imagine we are not waiting for the proclamation date to lay the groundwork for this. I will consult with our ministry officials and get back to you on this.

**Mr. Haggerty:** Do we now have this panel established?

**Mr. Gillies:** We are working at it and I will undertake to report back to you on the progress being made in this area.

**Hon. Mr. Alexander:** I think John McDonald wants to speak.

**Mr. McDonald:** Mr. Haggerty, you suggested mesothelioma was currently in schedule 3. That is not correct.

**Mr. Haggerty:** I thought it was. Is chronic bronchitis?

**Mr. McDonald:** No, none of that.

**Mr. Chairman:** Mr. Haggerty, have you completed your statement? There are still some questions unanswered.

**Mr. Haggerty:** Our Labour critic, Mr. Mancini, did talk about the matter of rehabilitation and the difficulties a number of injured workers are encountering in that area.



Without going into too much detail because we will be visiting the rehabilitation centre, if we had time to spend on this area I am sure there are many difficulties in rehabilitation out there in regard to people of ethnic background, particularly new immigrants coming into the province. A number of Italians and Portuguese run into difficulties. There is insufficient explanation of what has taken place in the process of rehabilitation and there are delays and misunderstandings. The end result is that people may be cut off workmen's compensation.

The board is going to have to take a look at this area of rehabilitation. I think we will see it more now than ever before when industries are cutting back on manpower. The very first on the hit list are persons who have a degree of disability or are on workmen's compensation. I can pinpoint one case of a person who was working at the John Deere farm implement industry in Welland and who lost part of his thumb. They dismissed him because they thought he could not do the job on the assembly line. He did pick up a light job that paid less money, but he was not aware of the section under the act. He was not advised that with a less-well-paid job there is a possibility of appealing and obtaining the lost wage income.

He was hired on the assembly line of General Motors in St. Catharines with that disability through no effort of the rehabilitation people. He was lucky to pick up the job. This is what they are doing in some industries. That industry picked him up and hired him, which is a good thing, but he was dismissed from his previous employment because of the loss of his thumb.

In many cases now where they are cutting back and trying to increase productivity, a person who has an injury is one of the first ones to go. Inco is another company that always found light-duty jobs, but they are not there any more. This business of the board saying, "There are job opportunities out there," is nonsense. They are not there any more with a depressed economy in which everybody is looking for a job. There is no place for that. One of the first things a number of employers ask when there is a possibility of being hired in a new industry is, "Have you a workmen's compensation injury?" In a number of cases that is held against them.

These are areas you are going to have to take a look at and come up with some other proposals. Perhaps the industries should be held more responsible for saying the jobs should be there. You cannot put them out in some other industry and say, "Yes, it is your responsibility now." Many would hire these persons but the minute

they get the job and there is a new injury on an old claim, the assessment rate goes up, which is why a lot of employers will not hire an injured worker. It is going to put their costs up.

There has to be another method of assessment so the new employer is not going to be charged because of that previous injury, as happens in some cases. I suggest that as an area of concern and I hope we can go into it in detail later.

**Hon. Mr. Alexander:** We may as well address that point now. Mr. Haggerty says some employers, for some reason or other, will not pursue their interview process, that there is an adverse reaction to those who are in receipt of compensation, but I think the act that has been passed by the wisdom of the committee does refer to that in terms of an amendment to the Human Rights Code. I do not know what the Human Rights Code in Ontario states, but what it has included now is a reference to an injury or disability for which benefits were claimed and received under the Workers' Compensation Act, so there is something in this particular act that refers to it.

**Mr. Haggerty:** That is like the Ombudsman. You have two years in that process to get it finalized too, so you are going to send them to another government agency and it is just one big, vicious circle. You are not solving the problem. I think the board is responsible.

**Hon. Mr. Alexander:** With all due respect, I think you have pointed out a problem, and now you say there is going to be a runaround changing from one agency to another.

At the board we had no clout. I have often gone to the employers of this province and indicated to them that out there is a skills bank of disabled workers who have been rehabilitated and from which sufficient withdrawals have not been made, but all I can do is use moral suasion in telling an industry what it should do.

Now you have a segment within the Ontario Human Rights Commission, which your committee felt was necessary and which I think is necessary, that will give someone some clout in the event that he ever meets with an employer who says: "Oh, you are on compensation? We are not going to hire you." I am glad to see it is in there, because some employers have that attitude with respect to injured workers, people of colour, visible minorities, women and so on.

So although you say it is a runaround—and I do not think you meant to say that—some of it is now covered. I know it is not the end of the world, but at least it is a start.



**Mr. Laughren:** I myself think he meant to say it.

**Mr. Haggerty:** You want to believe I meant to say it. I am not backing down.

**Hon. Mr. Alexander:** If you said it, I am just giving you a rebuttal; I know you are looking for an answer.

**Mr. Chairman:** I do not know when we are supposed to have an opportunity to reply to Mr. Haggerty's several questions and statements. Do we do that now?

**Mr. Chairman:** That was the intent. Mr. Gillies, did you have a further comment on that?

**Mr. Gillies:** Just further to the last point, and since the human rights commission is another agency reporting to our ministry, I do not think you are being entirely fair, Mr. Haggerty, when you suggest this is not a considerable advance for the injured workers in this province.

There are certain grounds for complaints about discrimination under the Human Rights Code, and the provision the committee made to include disability due to work place injury as one of those grounds is, I think, quite a step forward. Injured workers will now have recourse to investigations by human rights officers. It is a very low-cost way for the injured worker to proceed with a grievance, unlike a possible recourse to his own type of legal action, which can be expensive and not necessarily fruitful without the basis in the Human Rights Code and the legislation.

I think it is a step forward and I think a lot of injured workers are going to benefit from that protection.

**Mr. Haggerty:** I hope they do, but it will be time-consuming.

**Mr. Chairman:** Perhaps Mr. Alexander can respond. We will go until 12:30 and then break until two o'clock.

**Hon. Mr. Alexander:** I was a little concerned, Mr. Chairman, about Mr. Haggerty's opening remarks, in which I think he indicated that the board is guilty of mismanagement. I do not know if you said that, sir; I will not ask you to think about what you said, but I heard the word "mismanagement" in there with respect to the unfunded liability.

I sit here and say adamantly that this is not a fact. I think if you were aware of the circumstances in which the unfunded liability has climbed, perhaps you would not have led off with a very damaging and, I think, a very embarrassing statement. At no time since I have been at the board has anybody accused us of mismanagement.

**Mr. Laughren:** We do not expect you to confess to mismanagement.

**12 noon**

**Hon. Mr. Alexander:** The members of the committee and the audience should consider what the unfunded liability is, what it means in layman's terms and how we got into the unfunded liability. I must say that in two or three instances it is the fault of the committee—not the fault; it is as a result of actions taken collectively by members of the Legislature in dealing with ad hoc inflation adjustments.

**Mr. Laughren:** That is the most remarkable thing I have ever heard.

**Hon. Mr. Alexander:** Another thing that has bothered us is that the rate of persistency has gone up. These are things that are commonly known. Whether my friends on the left want to laugh or not, these are facts.

**Mr. Laughren:** So we are to blame for the unfunded liability?

**Hon. Mr. Alexander:** At this time I will have Mr. Gord Russell, who is the executive director of the financial services division, talk about some of the problems and the issues involved with the unfunded liability, to bring us all up to date. I hope Mr. Haggerty will listen because he will be enlightened.

Mr. Russell, would you address yourself to the questions raised by our colleague Mr. Haggerty, and see if we can bring some enlightenment here?

**Mr. Lupusella:** Because we are going to raise the issue of unfunded liability in our presentation, I think it is fair for the employees of the board to retain their comments on that subject until later. Otherwise we will have to raise the issues and the questions again and there will have to be other answers. Can we keep this argument aside until—

**Mr. Chairman:** I think we agreed to allow a response to the two opposition critics. Perhaps you could listen and you may not have to raise the questions again.

**Mr. Laughren:** On a point of privilege, Mr. Chairman: In view of the remarks of the chairman of the compensation board, I would like to come to the defence of the government members of the committee who have so dominated the committee because of their majority. If I could come to their defence, I do not like to see the board chairman maligning the government members that way, because in the opinion of the board chairman they could have done something about the unfunded liability. I think that is a bit unfair to the government members.

**Mr. Chairman:** I think he did go on to say—

**Hon. Mr. Alexander:** I said it was the House. I did not—

**Mr. Laughren:** Oh no, no.

**Mr. Chairman:** You did say the committee, Mr. Alexander, and then you corrected yourself.

**Hon. Mr. Alexander:** I meant the House.

**Mr. Laughren:** That is dominated by government members too.

**Mr. Chairman:** Perhaps we could move on to Mr. Russell—

Interjections.

**Mr. Chairman:** Order, please.

**Mr. Reilly:** Mr. Chairman, perhaps first I could give some background on this question. This unfunded liability question has been raised before this committee as recently as last year. Because of the magnitude of the problem, it just cannot be resolved in a year or two. In fact, it is going to take quite a number of years to resolve it.

Looking back in history to 1974, that is the year in which there was the catch-up, the year of indexing all pensions, approximately 52 per cent. Since then, there have been ad hoc amendments to our benefit levels virtually year by year.

So far as the board is concerned, we can fund for liability only when it has actually been enacted. In earlier years the board did amortize benefit level changes over a five-year term, but that has not been possible in recent years. In setting the assessment rate, our actuaries look at the past year's performance on the balance sheet and then project forward for the year to come.

In the last few years, of course, we have been subject to restraint legislation and increases in the assessment rates have been limited to a maximum of 15 per cent. You can appreciate the board's only source of revenue is, of course, the employers of Ontario under schedule 1.

There was a comment about plant closures and so on. It is interesting to note from our statistics that the number of employers under schedule 1 has actually increased from about 160,000 to 168,000 at the end of 1984, which is rather pleasing.

**Mr. McKessock:** On that point, the number of workers has dropped though. Is it not true that the number of businesses has gone up but the number of workers has gone down?

**Mr. Reilly:** I do not have that figure in front of me but we can find out for you.

**Mr. Cain:** There is an increase in the work force. I do not know from what date, but we used to talk in terms of 3.5 million workers in Ontario and now we are talking in excess of four million, so at least there has been an increase in the work force covered by the Workers' Compensation Board.

**Mr. Haggerty:** Are these part-time employees?

**Mr. Cain:** I am giving you gross figures. I cannot explain how it has gone up or why. I am simply saying I remember being told that there was an increase in the work force.

**Mr. Haggerty:** What is the additional revenue from the number of increased employees?

**Mr. Reilly:** Revenue has gone up from the 1983 report. It showed an assessment then of \$783.5 million. Gord, could you tell me the 1984 figure?

**Mr. Russell:** It is approximately \$980 million.

**Mr. Reilly:** Thank you. There has been a consultation with the superintendent of insurance on the board's funding approach and it is agreed that it is going to take quite a number of years to address the unfunded liability in total, but we are addressing it. As much as the economy allows, we will increase the assessment rates, which is our only method of funding, to address the unfunded liability.

**Mr. Haggerty:** What are the carrying charges on the unfunded liability? What are we paying in interest?

**Mr. Reilly:** The unfunded liability really is the actuary's projection of what the board needs to pay all injured workers in entirety forever. The unfunded liability is the difference between the assets we hold today and the actuary's projections of what we should have in the next 30 or 40 years, whatever it is.

Interjection.

**Mr. Reilly:** Yes. At the moment we have about \$2 billion in assets. That is our pension fund.

**Mr. Lupusella:** The liability will be increased to \$5 billion in the next five years. That is what I read somewhere.

**Mr. Gillies:** That was a projection unless steps were taken sensitively to reduce the unfunded liability by increased assessments and other steps. That was, as I recall, the worst-case projection of where it might go.

**Mr. Lupusella:** If I am not mistaken in reading the 1983 annual report, there is some-



where a comment that in the next five years, when the full implementation of Bill 101 is made, the unfunded liability will rise to \$5 billion from \$2 billion.

**Mr. Gillies:** Keep in mind, Mr. Lupusella, this is the 1983 report.

**Mr. Lupusella:** Consider the 1984 report plus five years' time and the new injuries involved, the new pensions, the new debts and—

**Mr. Gillies:** The point I am trying to make, though, is that was said following the 1983 fiscal year. I think it is fair to say there were extensive discussions between the board and the ministry last year as to how to approach the unfunded liability.

**Hon. Mr. Alexander:** As well as the private sector.

**Mr. Gillies:** And with the private sector. You may rest assured that we are moving towards a very careful reduction. I do not think we will be seeing a \$5-billion unfunded liability.

**Mr. Haggerty:** What is it going to cost the employees in assessments to reduce the unfunded liability? How much of an increase will we be looking at?

**Mr. Gillies:** As the chairman has said, there is no question that assessments will rise. I think the private sector is aware of that and is ready for it.

**Hon. Mr. Alexander:** I cannot give you the forecast right now—perhaps one of my colleagues can—but I think what we must appreciate is the fact that when we started to look for more money in order to address the unfunded liability, we brought about full disclosure in the 1983 book. You would not have known that it could reach the \$4-billion mark if we had not said it. You may have known, but we thought it was only appropriate to put it in there.

What has happened with respect to subsequent—

**Mr. Haggerty:** I thought we got that information from the Wyatt report on—

**Hon. Mr. Alexander:** It was in the 1983 book.

**Mr. Haggerty:** Yes, it is in there now.

12:10 p.m.

**Hon. Mr. Alexander:** Yes, but it was there a couple of years ago.

In any event, what has happened really is that we have had to sit down with industry, the Ministry of Labour and others, in order to devise a payment schedule that took into consideration economic realities. I think the rate is struck at an average of some 15 per cent right now. Until such

time as we have a meaningful rate structure, the 15 per cent we are talking about that is going into effect for 1985, is just allowing us to stand still. Therefore, the ongoing discussions that are required and necessary to set up a game plan which will allow the board, notwithstanding economic difficulties—

**Mr. Haggerty:** Would you mind changing “game plan”? That leaves the door open to—

**Hon. Mr. Alexander:** Process.

**Mr. Haggerty:** That is better than “game plan.”

**Hon. Mr. Alexander:** It will allow us to have a process that will have consideration for the economic realities of the private sector and the responsibilities of the board.

Mr. Russell can give you further information about what we are doing in this regard. It is not an easy subject. When we talk about the unfunded liability, we are talking about the assets we have in the event everything that was owing to pensioners on down the line became due today. We do not have that money. Realizing that has to be considered, we are moving in a direction we hope will reduce the unfunded liability, particularly in the way Mr. Russell will talk about.

**Mr. Haggerty:** We will see what Mr. Russell has to say.

**Mr. Russell:** In setting his rates, the actuary is taking the unfunded liability into consideration. He is also taking into consideration the act as it stands when he sets the rates, which is current maximum benefit levels.

In past years we have based it on the current levels, and after the rates have been set the levels have been increased. This results in benefits being paid out at a higher level than we have been assessing the employers. As Mr. Alexander has said, at this time we are attempting to recover that unfunded liability. It will be done over a period of time so as not to cause economic hardship for the employers of Ontario.

**Mr. Haggerty:** Is the Canada pension plan of some benefit to those injured workers? Will that be of some benefit in reducing the unfunded liability? If you include revenue from that in the workers' compensation, what advantage is that to the board?

**Mr. Russell:** We will not be receiving money from the Canada pension plan.

**Mr. Haggerty:** No, but the injured worker would in a roundabout way. He would be picking up a portion. There is about \$300 one can add on to the worker's assessment at 15 or 20 per cent or whatever it would be. If he is considered totally



disabled, he will be getting that. You piggyback on the Canada pension plan. You are not really picking up the full cost, are you? There should be some benefit.

**Mr. Russell:** I cannot answer as to how Canada pension relates to Bill 101.

**Mr. Haggerty:** Has your actuary not figured out what the benefits will be to the board to piggyback on the Canada pension plan?

**Interjection:** It is a good question.

**Hon. Mr. Alexander:** I say with a great deal of respect that we are getting involved with the role of the actuary of the board, Mr. John Neal. As to Mr. Haggerty's question, if he does not mind my making a suggestion, we would be prepared to have Mr. John Neal, the board actuary, come before the committee.

**Mr. Laughren:** Right on. He is one of our favourite witnesses.

**Hon. Mr. Alexander:** I am glad to hear that. Your questions can then be answered in detail with respect to how we are approaching the unfunded liability and the implications and complications of it. Would that be a proper approach at this time? It is not that Mr. Russell cannot continue, but I think it would be advisable to have Mr. Neal here.

**Mr. Chairman:** Perhaps we can arrange to have Mr. Neal come in.

**Mr. Laughren:** Can I second that?

**Mr. Chairman:** We will reserve at least one question for you, Mr. Laughren.

**Mr. Laughren:** I do not want to spend all my time on rehabilitation.

**Mr. Gillies:** I have one final thought. I am glad the actuary will be coming forward to talk about the details of the unfunded liability. Philosophically, we should keep in mind that the unfunded liability is nothing more or less than a projected deficit. It is what is seen as a shortfall in dollars to be spent as opposed to dollars already spent. Mr. Haggerty knows as well as I that there are only two ways to get rid of a deficit—either increase revenues or reduce expenditures.

The question is, (a) how do we do that sensitively so it does not adversely affect the position of the clients, the injured workers, and (b) how do we do it so it does not unduly adversely affect the position of the people paying into it? That is why the formula, game plan or whatever you want to call it has to be worked out sensitively so that we are not, as it were, going with a blunt axe after the businesses that are footing the bill, and at the same time so that we

do not affect the level of service we want and which we believe we have enhanced for our injured workers through Bill 101. It is going to take time. You cannot cut that kind of gross expenditure overnight.

**Mr. Lupusella:** I would like to intervene on that.

**Mr. Chairman:** I have Mr. MacQuarrie's name down first.

**Mr. Laughren:** The committee has to make up for its mistakes of the past.

**Mr. Lupusella:** I have to reply to the parliamentary assistant.

**Mr. Chairman:** You will. We will hear from Mr. MacQuarrie and then from you, Mr. Lupusella.

**Mr. MacQuarrie:** We are talking about the unfunded liability, which seems to be the difference between revenues and expenses in any given year. In so far as that unfunded liability is to be picked up in part by employers and employees, I wonder whether certain of the expense items are properly chargeable against or go into making up the unfunded portions. I wonder whether occupational health and safety should properly be chargeable against the overall operations of the Worker's Compensation Board or whether that should be a ministry expense. That raises some questions in my mind.

**Hon. Mr. Alexander:** I was listening somewhere else at this time. I think you asked whether occupational health and safety is properly charged to the board. The board is not directly involved with occupational health and safety. That is under the Ministry of Labour. We do have by way of the act the right to recognize safety associations that deal with education. I think that is the extent to which the board is involved. There is something like \$31 million this year to fund some nine safety associations which spread the gospel.

**Mr. MacQuarrie:** I realize it is certainly an overall benefit for the community. The question is whether there is not an element of distortion in the grim picture that is being painted of unfunded liabilities.

**Mr. Chairman:** I think Mr. Russell has an answer for us.

**Mr. Russell:** If you are referring to the line in the financial statements about occupational health and safety, we are required under the Occupational Health and Safety Act of 1978 to contribute towards the cost of the occupational

health and safety program as run by the Ministry of Labour.

**Hon. Mr. Alexander:** That is an answer; I did not hear the question.

**Mr. MacQuarrie:** Is the \$26 million spent on accident prevention, and that sort of thing, part of the—

**Mr. Russell:** No. Under the act it started off as \$4 million in 1978 when the act was passed and by law the ministry can increase it by 10 per cent each year.

**Hon. Mr. Alexander:** It is up to about \$5 million plus now, is it not? I am not sure.

**Mr. Russell:** That is why it is there.

**Hon. Mr. Alexander:** There is \$5 million that goes directly to occupational health and safety and the other \$28 million or \$30 million, as the case may be, goes to the educational safety associations.

**Mr. MacQuarrie:** I was looking at income from various sources and expenses primarily in terms of benefits to injured workers. Then I saw this long list of other expenditures and wondered whether the whole thing was not getting a little distorted.

12:20 p.m.

**Mr. Lupusella:** Perhaps I can go back to what the minister's parliamentary assistant said before about the unfunded liability. You said the unfunded liability is a projected deficit for the future. Are you telling us that because of this there is no reason to be concerned, that this is the main reason the board and the Minister of Labour (Mr. Ramsay) are not tackling the issue of the unfunded liability, or that the unfunded liability is used by actuaries and the board as a scapegoat not to increase the benefits to injured workers?

In previous hearings of this committee in reviewing Bill 101, the reason the Minister of Labour rejected full indexing in Bill 101 was the unfunded liability; the board and the industries could not afford the cost. This was the main line used by the Minister of Labour.

Are you using the unfunded liability because some day the Workers' Compensation Board will go out of business and will have to liquidate all its assets and pensions? Are you afraid that the Tories might lose power? Why are you using the unfunded liability? I still do not understand the whim of the government and the board.

**Mr. Gillies:** Mr. Lupusella, in all the years we have sat on committees together I think this is the first time I can say that what I said is in fact close to the opposite of what you suggest I said.

**Mr. Lupusella:** You said it.

**Mr. Gillies:** The reason I pointed out that the unfunded liability is a projected shortfall is that, in effect, while it is not dollars spent yet, we have to keep in mind that it is a commitment not unlike a deficit.

I went on to say that the question then is how we approach that projected deficit with, I believe, a great deal of sensitivity to the very points you just raised. First, we do not want to see the position and the benefits of our injured workers affected adversely and, second, we do not want the pay-in from the employers to have to be increased dramatically in one lump, which could affect many businesses just coming out of the recession.

What Mr. Alexander referred to as a game plan, a scheme or whatever you may call it—

**Hon. Mr. Alexander:** A process.

**Mr. Gillies:** —a process, is being worked out in consultation with the employers, the board and the ministry, that will see and guarantee the future financial integrity of the board with a sensitivity to all those things you mentioned. But in no way did I want to indicate that we are using the unfunded liability as a scapegoat, because it is a real number and it is a very real problem that has to be addressed.

**Mr. Lupusella:** Considering that you deny my allegation, can you answer this: After the unfunded liability came to light, which is going back to 1974, the member for York Mills (Miss Stephenson), the former Minister of Labour, said in 1975 that the unfunded liability had to be studied further before any increase would take place in injured workers' benefits. Can you tell me why between 1975 and 1985 no formula, no mechanism and no process was discovered to tackle the issue of the unfunded liability?

You are still using the line that the unfunded liability is a threat to employers and injured workers, which means that government policies cannot afford future increases because of this unfunded liability. We have been searching for an answer for the last 10 years without any process, any result or any formula. Are you kidding injured workers or are you kidding employers?

With the greatest respect, the latest increase to tackle the issue of the so-called unfunded liability was the 12 per cent increase in the assessment for employers across Ontario, which took place just recently, in 1984-1985. It appears that you and the board are using the unfunded liability as a scapegoat to penalize injured workers.

**Mr. Gillies:** I would deny very briefly that we are using it as a scapegoat. I would say again, as you have yourself pointed out, Mr. Lupusella, that there will be increases in the assessment rate. This has been done in consultation with the employers, the ministry and the board, because all three of those parties recognize the problem, which I believe you recognize, that if we want to continue to pay out for the benefit of our injured workers, then the financial integrity of the board has to be preserved.

So it is a real problem. I am not trying to be provocative, but I would ask you, if you go back to 1974-75 when the problem was first highlighted, have we been reticent in bringing forward regular benefit increases for the injured workers to this Legislature? I would suggest to you that my minister has stood in the House on many occasions since he took office to introduce increased benefits for the workers of this province.

**Mr. Lupusella:** Because he could not stand the heat; that is why.

**Mr. Gillies:** We have done so unstintingly, with regard to the financial integrity of the board but with an overriding regard for the wellbeing of the injured workers of this province.

**Mr. Lupusella:** It is very questionable.

**Hon. Mr. Alexander:** I still say that, getting into the need for detailed answers, we are going to have Mr. John Neal here this afternoon. You will have an opportunity then to elaborate further on this very interesting issue.

**Mr. Lupusella:** We have to contend with the minister, Mr. Alexander, with the greatest of respect.

I do not think you are the cause of the problem. You inherited the problem and you have continued with the problem since your appointment, with the greatest respect.

**Hon. Mr. Alexander:** With the greatest of respect? I do not know what that means, "with the greatest of respect." As a lawyer—

Interjections.

**Mr. Lupusella:** You inherited the problem from the Honourable Michael Starr. The problem is developing into a lengthy discussion, but you are sensitive to it, as the parliamentary assistant stated a few minutes ago. You are sensitive to the industry, sensitive to the problems affecting injured workers, but we are still not faced with any real conclusion on how to deal with the situation.

The expert may appear before us. He is welcome to give his comments.

**Mr. Gillies:** Have I ever lied to you before?

**Mr. Chairman:** Mr. Neal is going to appear here to answer questions and explain the unfunded liability, not to get into a debate on whether or not the process has been corrected by the politicians.

**Mr. Lupusella:** I am not justifying the process. I think the people over there are trying to justify a process which has not been solved over a period of 10 years. Are you blaming me for raising the issue?

**Hon. Mr. Alexander:** Sir, if I may just say this again, I have indicated we will have Mr. John Neal here this afternoon and we can pursue that. You seem to have a depth of knowledge about this very serious subject. I think we should hear from the experts.

**Mr. Chairman:** The question can be asked of Mr. Neal. I am sure we will have an answer.

**Mr. Gillies:** A sensitive answer.

**Mr. Lupusella:** A sensitive answer.

**Mr. Chairman:** We have only a couple of minutes, Mr. Alexander. Is there anything else you can respond to or is this a good time to break?

**Hon. Mr. Alexander:** It is a good time to break, sir.

The committee recessed at 12:27 p.m.



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No. R-47

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Annual Report, Workers' Compensation Board, 1983

**Fourth Session, 32nd Parliament**  
Tuesday, February 5, 1985  
Afternoon Sitting

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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Published by the Legislative Assembly of Ontario  
Editor of Debates: Peter Brannan

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, February 5, 1985**

The committee resumed at 2:10 p.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983 (continued)

**Mr. Chairman:** I will call the meeting to order. We should proceed with our afternoon session. Before doing so, we might discuss the suggestion made this morning that we visit the Downsview hospital. It has been suggested by the chairman that next Tuesday might be a good day in that the medical people would be available. It is entirely up to the committee. Would Tuesday be an appropriate day if you decide you would like to go out there?

**Mr. Lupusella:** What about Friday? Is there any problem with this coming Friday?

**Mr. Chairman:** The only problem is we are not planning on sitting on Friday. We sit Tuesday, Wednesday and Thursday.

**Mr. McKessock:** It will be the first sitting next week.

**Mr. Chairman:** Yes; on Tuesday, a week today.

**Hon. Mr. Alexander:** This is the Downsview rehabilitation centre.

**Mr. Laughren:** Could we go to Downsview in the morning and hear the injured workers speak in the afternoon?

**Hon. Mr. Alexander:** I can answer only the first question. We will go to Downsview in the morning. Whatever the committee decides for the afternoon sitting will be up to you.

**Mr. Chairman:** Would it be appropriate to go there in the morning and come back in the afternoon to discuss our findings?

**Hon. Mr. Alexander:** I think we have all taken notice of that.

**Mr. Chairman:** We will leave from here. The problem is there is no money in our budget for travelling all the way to Downsview. The ministry has graciously offered to pick up the tab for a van to take us out to Downsview.

**Mr. Laughren:** In times of restraint, that is something.

**Mr. Gillies:** No interior door handles.

**Hon. Mr. Alexander:** I assume, Mr. Chairman, if the committee meets at 10 o'clock, we can say you will be there at 10. I will alert them. I think Dr. Mitchell is here in any event.

**Mr. Chairman:** Is 9:30 a.m. Tuesday at the front door of the Legislature okay?

**Hon. Mr. Alexander:** The board personnel will be out there to welcome you.

**Mr. Chairman:** Okay. We will meet at the front door of the Legislature at 9:30 a.m. next Tuesday, February 12.

**Hon. Mr. Alexander:** I have another point, Mr. Chairman. You will recall that before we left there was some concern about answers on the unfunded liability at this time. At your request I have asked Mr. John Neal to join the table. He is the board's actuary. As well, we have Mr. Tom Warrington at the table now. He is the vice-chairman of appeals; he will be able to get involved with the issues concerning appeals, adjudicators and/or the appeal board, as the case may be.

Mr. Neal is now here.

**Mr. Lupusella:** Mr. Chairman, I would like to start with my preamble. I think the gentleman here is not new to the members of this committee. We had an opportunity to review the issue of unfunded liability when this committee was occupied with the revision of the content of Bill 101, the government white paper, the Weiler report and so on.

Even though we got some answers to the effect that the unfunded liability had something to do with forecasts of the economy, employment and so on, I do not think I was quite pleased to draw and concur with the conclusion or conclusions and explanations given by the actuaries employed by the board.

I would like to reiterate the same principle about the unfunded liability, because I think the members of this committee raised this issue all over again. As far as I recall, 1974 or 1975 was the time when the issue really came to light.

Just to refresh your memory, I would like to remind you that even the former Minister of Labour, Bette Stephenson, appointed the Wyatt commission in 1975 to study the unfunded liability and the detrimental effects that the

unfunded liability would eventually have on the future operation of the board.

Since 1975, when the first amendments were enacted in the Legislature, the delay by the Minister of Labour was always justified in the light of the conclusions made by this specific company concerning the unfunded liability and whether or not the system can afford to pay the increases the government was engaging itself to introduce before the Legislature.

Since then almost 10 years have elapsed and the unfunded liability is really a threat. I was horrified to learn as a result of my own research, even though I am not an expert in this field, that when the full implementation of Bill 101 takes place, considering the number of new accidents and the benefits that are going to be paid under the pension supplement when a job is not available and so on, that at the present time, or in 1984, we are faced with a \$2-billion unfunded liability, and in the next five years this unfunded liability will rise to \$5 billion. It is my own estimate and I am going back to this issue.

As I listen to statements made by the minister's parliamentary assistant, the unfunded liability means, in hypothetical terms, a future deficit that might take place if the board actually pays out to injured workers all the pensions, all the bonds and all the interest that will potentially be due.

**2:20 p.m.**

So in theory this unfunded liability is based on a forecast that in future the government will not be able to meet certain legislative goals because the unfunded liability will rise.

We have been hearing this story for 10 years. When you appeared before the committee, we made our point about the generous assessments given to employers in previous years. They were extremely low. Even though the unfunded liability issue was present in front of the government and in front of board officials, it appears that today, a decade later, the issue of unfunded liability is used to talk about getting more money from the employers so the board can meet its obligations in future.

It is used by the government and the board so that when we deal with legislative increases we have to be very careful because the system cannot afford the cost. You do not have any disagreement with the kind of statement that members of this committee and the Minister of Labour (Mr. Ramsay) have been using on the floor of the Legislature.

The chairman of the Workers' Compensation Board made the statement that the board and the government are extremely concerned about the

issue and are trying to study new devices and new processes, if I can use that terminology. I wonder why we are unable to find a solution to the problem a decade later.

It is nice to be critical of a system. The best way is to increase the assessments for the employers so that the board can meet its obligations about goals or so that the government might implement certain legislative increases that will benefit injured workers, but employers across Ontario cannot afford the cost of the assessment increases because of poor economic conditions and we do not want to create chaos in industry.

The issue of unfunded liability means informing injured workers that they cannot get the benefits to which they are entitled or cannot get certain legislative changes because the system cannot afford the cost. Are we playing politics to get money from employers using the threat of unfunded liability which, as the parliamentary assistant stated, is in some ways hypothetical because it is based on future projections to meet the board's obligations?

I would like to reiterate my position on how to resolve the issue of unfunded liability. The best investment would be to reduce the accident rates affecting workers across Ontario. Employers' pockets would not be hurt, and human beings would not be hurt because they would not face serious injuries. Even though the number of injured workers declined a little from 1982 to 1984, 345,000 to 350,000 injured workers across the province is a number that scares me.

Unless you are going to repeat statements you made before this committee, I would like to know whether this is a phoney issue about the unfunded liability. Is it true that the government is using this issue to get the money it wants from the employers and to keep the injured workers under control and not improve the benefits injured workers are entitled to? Are you really talking about reshaping a new model of the Workers' Compensation Board in Ontario?

**Hon. Mr. Alexander:** Mr. Chairman, before Mr. Neal answers several questions that were raised, I think one thing should be clear. I guess it is getting into the political process, if I might say that, but it has not escaped me that since I have been here, since June 1, 1980, the unfunded liability has not prevented the government from moving with respect to raising the ceiling for benefits. It has also moved consistently with respect to ad hoc inflation adjustments.

With all respect, you say that the board, and I cannot speak for all politicians, has not addressed



this problem. I respectfully submit the problem to which you have referred has been addressed. The unfunded liability has not prevented the government—excuse me, Mr. Gillies, I should not get involved with the government—but I just wanted to register something that with all due respect the member conveniently forgets. I know that was not done deliberately. It is just that he had forgotten there had been adjustments made with respect to the ceiling and with respect to ad hoc inflation adjustments within the economic climate. I do not think we can just throw that out the window.

Within the economic climate, a position was put with respect to inflation adjustments and as well the raise in the ceiling. I do not think that should be forgotten. The member's premise has continually been that because of the unfunded liability, nobody registered any sensitivity to the injured worker. I thought I would clear that up.

**Mr. Lupusella:** Mr. Chairman, again with all due respect, you registered your point of view. I think I was trying to balance the issue within the proper perspective so at least the gentlemen in front of us will have an opportunity to expand and to give us the best information. Unless this type of information will be different from what I heard, I welcome his contribution.

On the other hand, I would like to register with you and the members of this committee that I did not state that the unfunded liability prevented the government from increasing the level of benefits for injured workers. What I have said and what I meant to say is that the overall improvement in the operation of the board and the certain type of benefits which the government recognizes as important to be implemented, because the government cannot ignore certain benefits which must be brought to injured workers, have been denied because the board, as a result of the unfunded liability, cannot meet its future obligations because of that particular issue.

To be specific, when Bill 101 was enacted by this Legislature we were able to move certain amendments. They show that the government recognized the importance of the need to move. Because of that threat of unfunded liability and the detrimental effects it might have on industry, they cannot move at this time.

I make particular reference to the old injuries which are not covered under Bill 101. The surviving spouses of 10, 15 or 20 years ago were not covered by Bill 101 because the system cannot afford the cost.

If you phrase my criticism within such perspective, then I did not mean that the

government has not deemed to move to increase the pensions by five per cent. I did not say that. Based on the friendship we have with Doug, I think we were clear that he was reporting on a better basis what was going on here. At least you are aware of the issues we were debating in the Legislature.

**Hon. Mr. Alexander:** Perhaps I misunderstood, and if I did, I am sorry, but I thought what I said should be put on the record. In any event, I think it helps the whole global picture.

**Mr. Lupusella:** I took it for granted that you knew what I was talking about because Doug was informing you on a daily basis.

**2:30 p.m.**

**Mr. Gillies:** On a quasi point of privilege, I do not want to get into a protracted back-and-forth discussion here, Mr. Lupusella, but one thing you did say in the course of your question was to indicate that I said this morning the unfunded liability was a hypothetical problem. I take issue with you in that I think I said the unfunded liability, while it was a shortfall of dollars yet to be spent as opposed to a shortfall of dollars already spent, is a very real problem. We recognize it as a real problem that has to be handled sensitively. I am sure that is what you meant to say.

**Mr. Lupusella:** In a decade I have not seen any solution to this problem, but let us hear what the expert has to say.

**Mr. Chairman:** Mr. Neal, could you respond to Mr. Lupusella's question?

**Mr. Lupusella:** Preamble.

**Mr. Chairman:** You had a question in your preamble.

**Mr. Lupusella:** Preamble and question.

**Mr. Neal:** To clarify, I will formulate a question and then answer it, because at this point I am not quite sure exactly what I am supposed to be answering. I will make an attempt.

I think the first question is this: Is the unfunded liability a real issue? I believe the unfunded liability is a real issue. The future payments to injured workers are real. There is no question but that the government intends to meet its obligations and, therefore, it is a real issue. There is no question about it.

Secondly, why should the board be funded? Why should it have this money? Why not make the payments from future generations of employers' gross income? The concept in workers' compensation has always been to attempt to fund the system by each generation of employers that



causes the injuries to the workers in the first place. That is why the system charges different assessment rates to different industries. We have assessment rates climbing to almost 30 per cent of payroll in some industries and down at about 0.3 per cent of payroll in other industries.

I have always understood that one of the prime reasons for that is it motivates employers to prevent injuries. If all employers were paying a three or four per cent payroll tax, the concentration on accident prevention and rehabilitation of injured workers would not be properly motivated. Targeting costs, in my understanding, achieves the very things you are looking for, fewer injuries in the first place and more proactive rehabilitation of workers. The unfunded liability is relevant, therefore, because we are passing on costs from one generation of employers to another.

Conversely, because employers must pay into the system, the problem is not as serious as it would be in a private sector plant because there is no question of bankruptcy. There will be future employers in this province who will be able to meet those obligations. It is not black and white. It is not a simple issue such as a private pension plan or the Canada pension plan, which is not funded at all. Workers' compensation sits between the two. The magnitude of the unfunded liability should be managed and should be retained at as low a level as possible without unduly impinging upon future generations of employers. That sort of terminology is right within the act.

I have answered the basic thrust of your questions. Perhaps you would like to supplement them.

**Mr. Lupusella:** I think you gave this type of explanation in the past. My colleague the member for Nickel Belt does not have so much trust in actuaries. I am sure you heard that in the past. I still have my doubts.

The supplementary question I would like to pose to you is the following: Has the very huge unfunded liability, because it is huge—when you are talking about \$2 billion; you are not talking in millions any more—been the result of financial mismanagement by the board? If so, who should be blamed for that?

**Mr. Neal:** I do not accept your statement that there has been financial mismanagement. There has been in-depth disclosure of the decisions we have been making on an annual basis. We felt for many years it would be premature of the Workers' Compensation Board to anticipate this organization's decisions. For the board to have

prefunded future ad hoc inflation-type amendments would, in our opinion at that time, have been to have prejudged the parliamentary process.

**Mr. Laughren:** What has changed?

**Mr. Neal:** What has changed is documents such as the standing committee on resources development, December 1983, where all three parties endorsed a concept of inflation-proofing existing beneficiaries.

**Mr. Laughren:** That is not part of the legislation.

**Mr. Neal:** The statements become clearer and the long-term intent becomes clearer. We felt the time had arrived to consider phasing in an allowance for future ad hoc inflation-type amendments. That thought process was shared with our external actuaries, it was shared with actuaries who were retained by the Ministry of Labour and it was shared by the superintendent of insurance of Ontario.

Collectively, it was agreed that it would be appropriate to phase in a process of increasing the board's liabilities, increasing assessment rates to anticipate the possibility of the continuation of this policy and that the present method would allow us fully to anticipate them if the current practice of ad hoc amendments continues for another five or six years. We have fully disclosed what we have been doing all along.

**Mr. Haggerty:** Was your cost-of-living formula in the past based upon the years that everybody was going after more and more, higher wages? Was your cost-of-living formula workable for the employees of the Workers' Compensation Board? Were there any built-in factors in case of, say, an annual increase above the normal wage increase? Was there a cost-of-living formula for the employees of the Workers' Compensation Board?

**Mr. Neal:** Within their liabilities, no.

**Mr. Haggerty:** No, but has there ever been a policy such as what happened with the employees of the provincial government, that they had a cost-of-living formula? Would that practice follow for Workers' Compensation Board employees too? Somebody is shaking his head, no.

**Mr. Neal:** I am not really the expert on that one. I certainly know that a lot of people on various wages have lost a lot of purchasing power in the last few years.

**Mr. Haggerty:** I think everybody has.

**Mr. Neal:** I think that answers your question to some extent. There could not be a policy to

preserve the purchasing power if it had not happened. Injured workers have had larger increases than the bulk of the staff have had as an example. You are way out of my area.

**Mr. Lupusella:** If I may continue with the issue, you have been denying my statement that the board mismanaged the whole process of funding and that is why we are faced with the unfunded liability. One of the reasons you denied my statement is that you made full disclosure of what the board is doing. Under the statutes of Ontario, the board is accountable to politicians, to the government and committees of the Legislature.

There was an obligation from the board to show accountability for its operation on a yearly basis; so it is not something new that came from the goodwill of the corporate board or top officials of the board. It was a request, and it is a request, which is made by statutes implemented in Ontario. That is why you gave this full disclosure to the public and to the government.

The issue is that there is a difference in the mismanagement of the funds as a result of a wrong decision-making process taken at the board's level, which does not have anything to do with the full disclosure you were mentioning earlier.

**Mr. Neal:** I was not discussing full disclosure, sir. I was discussing full consultation with the parties involved before final decisions were made.

**Mr. Lupusella:** Which parties? The employers?

2:40 p.m.

**Mr. Neal:** Primarily with employers on the basis that they are the ones who are paying the bills. Anyone who wanted to talk about the board's finances from an actuarial perspective has always had a very open door with me.

**Mr. Lupusella:** Yes. We do not deny that. In fact, we got explanations before this committee about the unfunded liability and how the system should be funded to meet the future needs of injured workers in the province. You gave us your side of the story.

However, I go back to what we have been saying in the past, that the free rides and the low rates given to injured workers in the past are part of the problems resulting from past forecasts made by officials of the board in relation to economic trends, which eventually did not take off. You made certain provisions that the economy would get better, and the money coming out from the board's funds got out of

proportion. That is why you are faced with these problems as well.

**Mr. Neal:** Are you aware of any economist who was forecasting the 1981-83 recession in 1979? I am not.

**Mr. Lupusella:** I think the board has a better perspective than economists about the trend of the economy in the private sector. You are dealing with injuries and you know the payments that are taking place on a yearly basis. You print an annual report and you know what is going on in the market on a yearly basis as it relates to injured workers. You know the number of claims and you know the amount of pensions given to injured workers and so on.

You are faced with clear-cut, statistical data which will give you the ammunition to be extremely accurate, compared with economists in the private sector, in making predictions about the economy and how the economy will work in four or five years' time, based on the past performance.

From your perspective, I do not think you can use the same analyses used by other economists. I think it is a completely different ball game. You know how much money you spend on a yearly basis on behalf of injured workers. You know how much money you are paying out in relation to pensions, supplements and so on. You know the revenues and you know your investments. It is a clear-cut game, and you can easily draw conclusions about the assessments employers are supposed to pay into the board's funds on a yearly basis. I do not accept the theory that you have to make economic forecasts for three or four years' time.

**Mr. Neal:** Are you suggesting that you do not believe the benefits we have been paying out in the past two or three years and the rapid increase in the numbers are due to the 1981-83 recession?

**Mr. Lupusella:** No, absolutely not.

**Mr. Neal:** What explanation would you give me?

**Mr. Lupusella:** I can give you an explanation. If you are dealing with the issue of opening new claims, you are faced with clear-cut injuries; they have nothing to do with poor economic conditions across Ontario. What you are talking about is pension supplements. Based on the performance of economic conditions across the province, that is where you can make mistakes in the forecast.

You do not have to go far away to make provisions for four or five years' time because your assessments should be on a yearly basis.



**Mr. Neal:** No. With respect, my assessments are not on a yearly basis. My assessments are set to cover the future payments required on this year's injuries. I have to forecast more than 30 years into the future just for awards on 1984 claims, for example, let alone the pension payments that will flow for up to 70 or 80 years after 1984.

With the greatest of respect, the level of the economy has a major impact. You have already reminded us that claim volumes declined in 1982 and declined again in 1983. From a simplistic viewpoint you would expect that benefit payments would therefore have declined in 1982 and 1983 because the claim volumes had declined. In fact, the very reverse occurred because injured workers needed to stay on benefits longer because they were unable to return to work because there simply was no work available.

**Mr. Lupusella:** That is just one section of the act. I am talking about opening new claims in which the decision-making process coming from the board is to pay out weekly benefits based on the nature and the gravity of the disability, nothing else. It has nothing to do with the job market.

I think you are trying to divert my argument. You are trying to mix the injured workers who have reached a level of disability based on their disability, and therefore subsection 43(5) comes into effect. The injured worker has to go out and look for a job, and that is where your economic spectrum will be in place to analyse the economic conditions of the day. But when you are talking about new claims, that has nothing to do with the job market.

**Mr. Neal:** With the deepest respect, I do not believe workers' compensation is as simplistic as you are suggesting.

**Mr. Lupusella:** I am not an expert, as I stated. You are claiming to be the expert. I am trying to give you arguments and look for answers, but I am not getting the answers.

**Mr. Neal:** I am doing my best. Far more than 70 cents in every dollar paid out in a year is paid out on accidents that occurred before the year we are discussing.

The type of statement I am making to you is the type of statement I make to employers. You can well imagine that employers are not very enthusiastic about a system that pays injured workers more money during economic hardship than during economic good times. Many employers consider that workers' compensation should not be doing that, but the system does that. The legislation you have jointly put together

is supposed to do that and it does it. Clause 41(1)(b), a clause that has perhaps slipped your memory, is a major indicator to adjudicators of what should occur.

**Mr. Lupusella:** I am aware of that section.

**Mr. Neal:** We believe the surge in benefit payments to injured workers—and it is a large surge if you look at the annual reports—is a result of the recession. For you to accuse us of mismanagement, you have to accuse us of one of two things. One, we should have forecast the 1981-83 recession back in 1979, which is why I asked you, "Do you know of any economist who was forecasting that recession back then?" I certainly do not. Two, you can say we should have prefunded future ad hoc inflation-type amendments back in 1978 when the Wyatt Co. report that you referred to clearly stated that this should not occur, that benefits should not be inflation-proof for workers who were not receiving any wage loss because they were back at their original employment. The Wyatt report clearly stated that.

I believe the then Minister of Labour suggested when she enacted the 1978 amendment that it was a measure to solve the obvious human need problem at that time and that further study would be done. I think you will recall that those events occurred.

**Mr. Lupusella:** Yes, I do.

2:50 p.m.

**Mr. Neal:** So the question is, when was it appropriate for the board to start recognizing the ad hoc amendment process? Obviously, that is a judgement call. It is easy to throw shots with 20-20 hindsight. I feel very comfortable with the decisions the board made when it made them. With 20-20 hindsight, obviously, we would like to have done certain things differently, but anybody can play that game.

**Mr. Lupusella:** I am not playing games. I am just trying to place in perspective the needs of injured workers across Ontario and the principle of unfunded liability and what the system can or cannot afford. Maybe you are seeing the system as an actuary and as an actuary alone, and the misery of injured workers is not part of your concern.

**Mr. Neal:** No.

**Mr. Lupusella:** With some reason, because that is part your skill and trade and nothing else.

**Hon. Mr. Alexander:** I do not know whether I found what you said questionable or—

**Mr. Lupusella:** No, it is not questionable. What I stated was that he views the system of the



Workers' Compensation Board with an actuary's mind, to give statistics and study the economic performance of the board. I do not think that—

**Mr. Gillies:** Are you suggesting that an actuary or an accountant is incapable of feeling anything for the people with whom he is dealing? That is an appalling thing to say.

**Mr. Lupusella:** Come on; let me finish my statement.

**Mr. Gillies:** Are you suggesting that he has no interest in the Workers' Compensation Board other than a ledger book? You do not know this gentleman, you know nothing about him and I think that was an appalling thing to say.

**Mr. Lupusella:** It is part of his trade to deal to numbers and nothing else.

**Mr. Gillies:** Is it part of his trade to be insensitive? Is that what you are saying?

**Mr. Lupusella:** You are a politician. You cannot expect to be able to draw a design for a building. You would say, "I am sorry; it is not part of my trade." It is the same thing.

**Mr. Gillies:** I think you owe this gentleman an apology.

**Mr. Lupusella:** There is nothing for which I should apologize. If you are a politician, and it is not your trade to be an architect, nobody is going to pretend that you can go and design a building. It is as simple as that, and I have nothing to apologize for.

**Hon. Mr. Alexander:** I take issue with what you said with respect to the insensitivity that—

**Mr. Lupusella:** This has nothing to do with insensitivity.

**Hon. Mr. Alexander:** You have implied that the actuary is insensitive to the needs of injured workers, and I want you to know, front and centre, that I reject that totally.

**Mr. Lupusella:** There is nothing to reject, because such a premise did not exist in my mind.

**Mr. Laughren:** I can understand why you are making those remarks up front too; I can understand that very well.

**Mr. Chairman:** I want to be clear in my own mind that there was no intention that you were shutting out sensitivity towards injured worker.

**Mr. Lupusella:** It was imagination. I am not playing politics.

**Mr. Chairman:** His job, of course, is to deal with numbers, but at the same time I think we all recognize he certainly is sensitive to injured workers.

**Mr. Lupusella:** That is his mandate.

**Mr. Laughren:** Does a rehabilitation counselor worry about the unfunded liability? Is that his concern or is it to get the injured worker back to work?

**Mr. Chairman:** I accept your answer, Mr. Lupusella.

**Mr. Lupusella:** I think he is posturing with my sentence on purpose.

**Mr. Chairman:** I realize what your intention was.

**Mr. Lupusella:** I am quite open and frank with my statements.

**Hon. Mr. Alexander:** We are here to be open and frank, but any time I see somebody trying to let one of my colleagues hang out to dry with information that is not quite above board, I am going to step in regardless of the consequences.

**Mr. Lupusella:** You do not have to defend your employee. The statement I made was not—  
Interjections.

**Hon. Mr. Alexander:** He is not insensitive.

**Mr. Lupusella:** It was a clear-cut indication that the job specification of his trade is to deal with numbers, period.

**Hon. Mr. Alexander:** Within the confines, the objectives, the needs and the mandate of the act.  
Interjections.

**Mr. Chairman:** Order, please. I think I understand now what Mr. Lupusella has said, and I think we all know he did not intend to—

**Mr. Lupusella:** He should apologize to me.

**Hon. Mr. Alexander:** We are not apologizing; we are not sorry.

**Mr. Chairman:** I understand what he was saying. I think we have it clarified now. He did not intend to suggest that at all.

**Mr. Haggerty:** I thought I started off with the questioning on this, and the gentleman is here to respond to some of my questions.

**Mr. Chairman:** Obviously he will respond to all our questions while he is here. I recognized Mr. Lupusella first.

**Mr. Haggerty:** Is Mr. Lupusella going to lead off with his opening statement?

**Mr. Lupusella:** Of course I am.

**Mr. Chairman:** No. I am not ready to hear the opening statements, because we have not got all the answers for Mr. Haggerty yet. We have Mr. Neal here to answer our questions with regard to this one item of unfunded liability.

**Mr. Laughren:** You should have allowed the two opposition critics to do their leadoffs.

**Mr. Lupusella:** I made my proposal, which was rejected.

**Mr. Chairman:** I was asked whether we could have Mr. Neal in this afternoon. I thought I had the concurrence of the committee to have him answer questions on unfunded liability.

**Mr. Lupusella:** Okay. Talking about unfunded liability and estimates made by the board in the area of mortgages, it is my understanding that in 1983 the board's investment in mortgages was in the range of \$500 million. Am I correct, more or less? Was it not \$457 million?

**Hon. Mr. Alexander:** Mr. Chairman, I think Mr. Reilly has an answer to that specific question regarding mortgages.

**Mr. Reilly:** The mortgages investment in 1983 was \$408 million.

**Mr. Lupusella:** I was very close.

**Hon. Mr. Alexander:** I am starting to laugh and I do not want to laugh here because this is a very serious matter.

**Mr. Lupusella:** On the mortgages issue, I do not know where the decision comes from to invest the money in mortgages. It was good to invest the money in 1980, 1981 and 1982 when there was a rise in interest rates, which reached 18 and 19 per cent. But now you are faced with a decline.

Will you please tell us what the board is doing in relation to mortgages investment? Is the board going away from such investment? Can you come out with the board's new plans? Did it make a decision to leave that field because it is no longer profitable? What are you doing about that? When are the mortgages going to be due?

**Hon. Mr. Alexander:** Mr. Chairman, perhaps we could have Mr. Reilly address this question of how we operate in terms of investment, with specific reference to our mortgage portfolio.

**Mr. Reilly:** Dealing with the mortgage portfolio in 1983, as I mentioned, we had \$408 million. The return on our mortgage portfolio for that year was 11.85 per cent. We have \$393 million in the mortgage portfolio at present, and the return for 1984 was 11.88 per cent. So the return has not declined to this date.

**Mr. Lupusella:** Because they are not mature yet.

**Mr. Reilly:** They usually run for a five-year term.

**Mr. Lupusella:** When is the expiry date?

**Mr. Reilly:** Each year a number expire and then we renew them or put them into long-term bonds, whichever is the most profitable, depending on what our advisers suggest to us.

**Mr. Haggerty:** May I ask a supplementary here? You are dealing with mortgages now. Do you carry the mortgages yourself or do you lend them out to lending companies that make two or three per cent out of the houses?

**Mr. Reilly:** We carry the mortgages.

**Mr. Haggerty:** What properties are we talking about?

**Mr. Reilly:** Almost all are industrial properties, primarily in Ontario but also in British Columbia and Alberta as well as in other provinces. They are primarily industrial properties.

**Mr. Haggerty:** Why would you go to BC and Alberta?

**Mr. Reilly:** We go where we get the best deal. All our mortgages are guaranteed by Canada Mortgage and Housing Corp.

**Mr. Haggerty:** In other words, you are not going to lose anything on them.

**Mr. Reilly:** Pardon?

**Mr. Haggerty:** There has to be a cost factor involved in that. Am I not correct? They do not do this for nothing, do they?

**Mr. Reilly:** We pay them absolutely nothing.  
3 p.m.

**Mr. Lupusella:** Are you planning to stay in this type of business now that your rates are becoming competitive with the rates given by banks and private financial institutions? Are you going to carry on with this?

**Mr. Reilly:** Depending on the advice of our investment advisers, at the moment we certainly do plan to continue with a mix of our portfolio. We have \$1.1 billion in long-term bonds, \$400 million in mortgages and \$200 million in short-term securities. Of the three securities, the mortgages are giving us the best return at this time, and have.

**Mr. Lupusella:** For the moment. But again, going back to the forecast, who makes the forecast about mortgages?

**Mr. Reilly:** Going back to 1975, our return in mortgages was higher every year than that of long-term bonds. It was not higher for a couple of years in short-term securities, because short-term rates were extremely high during 1979, 1980 and



1981. As far as return is concerned, mortgages are a better investment than long-term bonds.

**Mr. Lupusella:** So actually there is no change of policy that eventually you might decide to get out of that field based on the decline in interest rates in Canada? You are going to stay in it in spite of what is happening at the present time, or forecasts from economists, actuaries, or you name it; you are going to stay in that field?

**Mr. Reilly:** No. We did not say that.

**Hon. Mr. Alexander:** I do not think that is what he said.

**Mr. Lupusella:** I am trying to get an answer.

**Hon. Mr. Alexander:** We are given guidance by outside consultants with regard to the investment portfolio; it is not something the board does in a unilateral way with respect to investment, whether it is long-term or short-term bonds, equities and-or mortgages. We get the advice from the outside, and if they say, "The market is this way and this way, you should increase short-term, you should reduce the short-term, increase long-term, or you should get out of mortgages," we, upon receiving that advice, will guide our actions accordingly.

We do not act in a unilateral way, whereby we are not concerned about receiving a proper return on the money. We have outside help. I guess that is the short answer.

**Mr. Lupusella:** I understand, and I appreciate your explanation, but what I am trying to get at is that the mortgages are for a period of five years, and eventually some of the mortgages will expire in 1986, 1987 and 1988. At that time, the interest rates paid on that investment will be in the range of eight per cent, for example. What are you planning to do?

**Mr. Reilly:** If at that time the long-term bond rate is greater, then certainly we will go to long-term bonds. If the mortgage rate is higher, we will stay with mortgages. We have to use a little judgement as far as getting the best return on the money is concerned. Naturally, we go where we get the best rate.

**Mr. Lupusella:** It is a judgement. The unfunded liability was also based on judgement, with the greatest of respect. Then in four or five years we may be faced with a crisis in the return on the board's investment and we are going to cry out about economic conditions, or there was no provision that interest rates would fall to eight per cent because there was no preplanning at all. That is what I am trying to get at.

**Mr. Reilly:** There has been no suggestion of any emergency or any problem as far as return on our investment portfolio is concerned.

**Mr. Lupusella:** I do not have any other questions.

**Mr. Neal:** Mr. Chairman, part of the process of computing the unfunded liability is to forecast future investment income, because although we say we have a liability of \$4 billion, that is actually the present value of something in the order of \$8 billion to \$10 billion of actual benefit payments to injured workers. It is simply a present value to give you a capital sum which, together with future investment income, will be enough to satisfy those \$8-billion, \$10-billion, \$12-billion requirements—I forget offhand exactly what the cash flow model shows.

Traditionally, actuaries are a little cautious about future investment income, because a lot of our future investment income will flow not from existing securities, but from reinvested securities, such as the mortgages that are concerning you. The actuarial model needs to forecast those reinvestment rates, and that is built in when we start to allow for ad hoc amendments in the future.

What we need to forecast is not what the actual interest rate will be and not what the actual inflation rate will be, but what the difference between increases in workers' benefits and investment income will be. In the two-page article in the annual report, where we talked about a net interest rate of two per cent, that is the difference between what you can earn on your money and inflation, weighted over a long period.

Basically, if mortgage rates are only eight per cent in two or three years—and I am sure a lot of us around this room hope you are correct—inflation will be lower, the need to increase worker's benefits with regard to preserving purchasing power will be lower and the whole thing comes round.

In the board, we will probably be better off if mortgage rates are as low as you are forecasting, because inflation will be lower and there will be smaller increases needed to workers' benefits to preserve purchasing power. In actual fact, that would be a favourable rather than adverse contingency for us. Do not expect us to come crying to you in three or four years because our investment income is not high enough; we will be smiling.

**Mr. Lupusella:** I do not have the same mind as yours. I would tackle the problem differently. I would reduce the unfunded liability by reducing the number of accidents. Prevention should be the main target, which will not take money from the employers' pockets or from injured workers.



**Mr. Neal:** I do not have any problem with what you are saying.

**Mr. Lupusella:** The other approach I would use would be an assessment on the employers if they were unable to meet the goal of reducing the number of accidents. You have to take it from their pockets, which means they have to pay more money on their assessment. It is as simple as that.

I can make a forecast, and you can easily say the economic trend plays an important role in the whole operation of the board. I concur with you to a certain extent, but I had to stop you after you made the particular comment about this issue.

**Mr. Neal:** One thing that has concerned me for some time is the suggestion that the employers have had an easy ride. Let me share with you that in 1975, for instance, the average cost per worker in this province was \$138 per person-year. In 1984, it had risen to \$390.

**Mr. Laughren:** You are not being selective in your choice and use of figures, are you?

**Mr. Neal:** Would you like me to quote you \$60 in 1970 and \$390 in 1984, or a 545 per cent increase in per worker cost?

**Mr. Laughren:** Yes. I could tell you what I would like you to use.

**Mr. Neal:** Would you like me to use 1978 and 1979?

**Mr. Laughren:** You are still being selective. I have seen the chart of the assessment starting back in the early 1970s going through to right now, and I saw years when benefits were going up and assessment going down. I do not know of anybody else's cost of living that was going down in years when employers' assessments were going down. That is why I am not happy.

**Mr. Lupusella:** The inflation rate was going up at the time when the assessments were reduced. I am going to get into his figures later on.

**Mr. Neal:** You have been comparing assessment rates, which are a percentage of payroll. When inflation is going up, if the percentage of payroll stays constant, then the cost is going up by the same rate as inflation.

Do not confuse an assessment rate expressed as \$2 per \$100 of payroll and that stays the same when inflation is going up as meaning the employers are not being charged with inflation, because they are. Those premium rates are expressed as a percentage of payroll.

**Mr. Chairman:** Mr. Laughren, was that your question?

**Mr. Laughren:** No.

**Mr. McKessock:** I think you mentioned earlier the difference in percentages of assessment. They range from what?

**Mr. Neal:** From about 0.3 per cent of payroll up to close to 30 per cent of payroll, accountants versus some of the mining industries when you bring in the silicosis premium rate in addition to the traumatic accident premium rate.

**Mr. McKessock:** I must not be getting this right. You are saying the employer pays 30 per cent of his payroll as an assessment, as a premium?

3:10 p.m.

**Mr. Neal:** Yes. There are some jurisdictions in the United States where the premium rate is in excess of 100 per cent of payroll, just to put the figure in context.

**Mr. Laughren:** What did I tell you, Bob?

**Mr. McKessock:** Let us say the payroll is \$300 a week, that is, \$15,000 a year. In that 30 per cent assessment, how much would he be assessed for that employee?

**Mr. Neal:** He would be assessed 30 per cent of \$15,000, which is \$4,500.

**Mr. McKessock:** That is the premium. Then you mentioned something about 100 per cent.

**Mr. Neal:** In the US, for certain industries in certain jurisdictions—and I forget which, but it is always trotted out—they would be paying \$15,000.

**Mr. McKessock:** They would be paying \$15,000 in premiums equal to wages. That business would be hardly worth running, would it?

**Mr. Neal:** They are very specialized.

**Interjection:** Wage loss, that is what it is.

**Mr. McKessock:** Employee loss too.

**Mr. Laughren:** I am always intrigued when people trot out the assessment rates. I had a meeting with Falconbridge officials here in the last month or so. I do not want to misquote them, and I should have brought the figures down, but I think their compensation costs per year are in the neighbourhood of \$10,000 per employee. Does that sound reasonable?

**Mr. Neal:** Try \$1,600.

**Mr. Laughren:** I am sorry, \$1,000 an employee.

**Mr. Neal:** Our guess for 1984 is \$1,600.

**Mr. Laughren:** But you are not talking about a specific company now.

**Mr. Neal:** It is \$1,637.60, if you want it specifically.

**Mr. Laughren:** For that company or that industry?

**Mr. Neal:** I am sorry, I am reading you a percentage. The cost per worker in the nickel mining rate group for 1984 is estimated to be \$2,217.

**Mr. Laughren:** I know it is not company-specific; at least I do not think it is.

**Mr. Neal:** There are basically only Falconbridge and Inco in the rate group in the nickel mining industry. Who else is there?

**Mr. Laughren:** Right. Anyway, we are talking about more than \$2,000 per employee for compensation costs.

I think the chairman and others understand why we are concerned about the unfunded liability, because we have seen in the last couple of years the employers' lobby, not to mention the employers' counsel, concerned about increasing benefits in view of the size of the unfunded liability. The link is there, and that is what makes us angry at the way the board allowed the unfunded liability to sneak up and mug them, which is what we are led to believe when we talk to Mr. Neal and to the chairman of the Workers' Compensation Board. It is either that or blame the committee, as the chairman did earlier this morning, or the Legislature for the problem.

Interjections.

**Mr. Laughren:** I am not asking you to—

**Mr. Chairman:** He did apologize for that. We all accepted his apology.

**Mr. Laughren:** I do not want the chairman to be provocative.

**Hon. Mr. Alexander:** I am trying my best not to be.

**Mr. Laughren:** The fact is, even though you do not seem to want to admit it, the board allowed the unfunded liability to get to a level where it is a very major concern. Nobody else did it. Nobody else laid the assessment rates on you, and that was then. You can say the Legislature laid on the increase in benefits. That is true, but we did not lay on the assessment rate. That was laid on by the board.

If I had been running the board—believe it or not, I am a very fiscally conservative person—I would have run my affairs in such a way as to make sure that did not happen. I really believe people would. Most workers would run their affairs in such a way too, in a very fiscally

conservative way. That is why we are unhappy with the way this has happened.

I do not remember when the board saw the red flag called unfunded liability and became very concerned about it. I do remember my colleague the member for Bellwoods (Mr. McClellan) raising it in the Legislature and getting all sorts of assurances from the board and from the Ministry of Labour that he should not worry about it. Now it is the board and the people who pay for it who are concerned.

I was interested in one other thing, and I think Mr. Neal would be the one to answer this. If the nature of work is changing in our society, as most of us agree it is, and if things like remote-control scoop trams are being put in the mines, which will remove some of the danger of underground mining, which is by nature a dangerous occupation, can something like the unfunded liability take into consideration the changing nature of work, or can it work on numbers only as they have historically unfolded? Can there be an anticipation of the changing nature of work when talking about unfunded liability?

**Mr. Neal:** Yes.

**Mr. Laughren:** How?

**Mr. Neal:** Indeed, there must be because we are not just number conscious.

**Mr. Laughren:** You know I would not imply that.

**Mr. Neal:** I know you would not do that.

The actuarial profession is in many respects an art rather than a science because it is a judgement. To judge how long injured workers are going to stay on benefit is, to start with, a relative game. How much longer do you think a worker is going to stay on benefit, on average, five years after the year of accident than he did this year for accidents that occurred five years ago?

I maintain that the answer is, in part, how easy it is for a worker to return to work. I maintain that very few of the workers who will be on temporary compensation five years after the year of the accident will have been on for the whole five years. They will have been on again, off again, on again, off again, with recurring problems such as back problems.

The number of injured workers on benefit five years after the accident and how many weeks in that year they are on are dependent quite significantly on the types of employment the employer can provide. So as society removes certain types of jobs and if those injured workers do not have the job skills to do anything else—and



high tech is starting to do something about it and will do it on an incremental basis for a large number of years in the most reasonable prognosis—then injured workers have a much harder time returning to work today than they did five years ago.

**Mr. Laughren:** Despite Mr. Darnbrough's efforts.

**Mr. Neal:** That is right. Without Mr. Darnbrough's efforts, heaven help us; and it is likely to get worse, is it not?

**Mr. Laughren:** Yes. That is what I am worried about.

**Mr. Lupusella:** Not really. You always count the older generation of injured workers. The new generation of injured workers, I am sure, is coming out of schools and universities and has a background and technical skills that the older generation does not have.

I think the board will be faced with the same dilemma of finding jobs, not because they cannot find them, because they will be faced with a new generation of injured workers in the future. They went to school, they have completed grade 13, they have diplomas, they have degrees and so on. So you cannot count on being faced with the same generation as the construction worker who spent 20 years of his life in the construction industry.

You will be faced with people who went to school and they will be ready to accept the principle of technical changes because they have the educational background to face them. So I do not think there will be a great change in relation to the principle of rehabilitation. Job scarcity might become an issue because of economic conditions, so I agree with you on that issue, but not because of the high-technology changes that are affecting our society.

**Mr. Neal:** You do not think they are affecting the 45-year-old injured worker?

**3:20 p.m.**

**Mr. Lupusella:** First of all, you have to talk about the time frame.

**Mr. Neal:** My unfunded liability is dealing exclusively with existing injured workers. It has nothing to do with 1990 injuries.

**Mr. Lupusella:** What about Bill 101 and new injuries?

**Mr. Neal:** My unfunded liability is dealing exclusively with injuries that have already occurred.

**Mr. Lupusella:** What about Bill 101? Does it have nothing to do with the unfunded liability?

**Mr. Neal:** Bill 101 is dealing primarily with future injuries; it will affect our unfunded liability once we go through a year where that has been there. When we have had a year of new injuries that are fully entitled to Bill 101 benefits, we will find out whether our 1985 assessment rates were adequate to reserve those new claims under the new system. But in terms of what we are talking about today—

**Mr. Lupusella:** You might be faced with double-digit problems in terms of unfunded liability, the present one and the future one involving injured workers who will be covered under Bill 101. The problem of unfunded liability might become worse unless certain measures are taken to correct the situation.

**Mr. Neal:** Which we are working on.

**Mr. Lupusella:** I have not seen any answer in a decade.

**Mr. Neal:** The 1985 assessment rates are 20 per cent per worker higher than the 1984 assessment rates in a world of five per cent inflation. That is a 15 per cent increase in the real cost per worker in one year. The plan is to continue to attempt to do that to the extent that industry can accommodate it for as long as it takes to get the base up.

**Mr. Lupusella:** I understand what you are trying to say. Are you telling us the 20 per cent is going to reduce the unfunded liability?

**Mr. Neal:** It is going to reduce the rate of increase. You have got to stop it increasing before you can start reducing it.

**Mr. Lupusella:** But from 1982-83 the unfunded liability increased. Do you agree with me?

**Mr. Neal:** Yes.

**Mr. Lupusella:** And in 1983-84 the unfunded liability increased?

**Mr. Neal:** Yes.

**Mr. Lupusella:** Are you saying it will stop the unfunded liability at the percentage it now is in 1984-85?

**Mr. Neal:** No.

**Mr. Lupusella:** What are you trying to tell us then?

**Mr. Neal:** I am saying that the rate of increase is being slowed down. You seem to be suggesting the board should double its premium rates. Is that what you are suggesting?

**Mr. Lupusella:** I gave you different alternatives. The first one was prevention and the reduction of the number of accidents; and if the



industry will not take such responsibility to increase the assessment to deal with the problem.

**Mr. Neal:** It is my understanding that a great deal of work is being done there, but again there are people far more expert than I to answer those questions.

**Mr. Chairman:** We brought Mr. Neal here to deal with the unfunded liability as it was at 1983.

**Mr. Laughren:** I have a couple more questions; one has to do with the length of time you anticipate it will take to get the unfunded liability back to where it is reasonable. How long will that take?

**Mr. Neal:** That depends on—

**Mr. Laughren:** You must have a goal.

**Mr. Neal:** There was a suggestion made in the summer of letting the assessment rate rise to \$3 over a two- or three-year period on average; if that were to occur, if the duration on claim stayed at about the 1983 level, if the only amendments to the act were preservation of purchasing power and if industrial disease did not become a problem that it may well become, then \$3 would amortize the deficit over 30 years. There were an awful lot of qualifiers in what I just said, were there not?

**Mr. Laughren:** I will tell you why I asked. I was going through some of the old Hansards, and I did not realize you had been around since at least 1966.

**Mr. Neal:** Since 1975.

**Mr. Laughren:** I meant 1976. I am sorry, what did I say? I meant 1976. In 1976, in a discussion before this very committee, you were defending at some length the unfunded liability and how we should be—

**Mr. Neal:** Just newly disclosed.

**Mr. Laughren:** Yes, and why it was \$400 million and not \$300 million. You state at one point—now we all live with statements we made in the past—

**Mr. Neal:** Something tells me I am about to learn.

**Mr. Laughren:** Yes. I would not invite you here and then embarrass you.

You are talking about assessment rates and about one generation of employers being a burden on another, which we understand. You state: "We would look for, perhaps by 1981, all unfunded liabilities to be retired over a period of less than 10 years. Industry is in complete agreement with us on that matter."

Mr. McClellan said: "I am sure they are, but I am not satisfied that is adequate."

You replied with a question. You said, "That unfunded liabilities should be retired over a period of 10 years?" Mr. McClellan said, "No, the converse." You asked, "That 20 years is too long?" Mr. McClellan said, "Yes." Mr. Neal said, "We and industry are in complete agreement with you."

When you were saying those things, you were able to go back to the corporate board to whom you report, I assume, and make recommendations that would be in keeping with how you felt. For example, you must make assessment recommendations to the corporate board.

**Mr. Neal:** Certainly.

**Mr. Laughren:** Are they accepted?

**Mr. Neal:** They have often been accepted, yes.

**Mr. Laughren:** Back in the days we are talking about, could I safely assume they were not accepted?

**Mr. Neal:** By and large, the proposals I made in those days were accepted.

**Mr. Laughren:** Really. I am surprised an actuary would admit that because it seems to me that you, as an actuary, without using the whip that my colleague used because it tends to inflame—

**Mr. Neal:** As a humane actuary.

**Mr. Laughren:** Yes.

**Mr. Laughren:** You are going to tell me in a moment—

**Mr. Lupusella:** I do not have a computer in front of me.

**Mr. Laughren:** I have never said an actuary is an accountant without a heart.

**Mr. Neal:** I know.

**Mr. Laughren:** I have never said that.

**Mr. Neal:** You have said other things.

**Mr. Laughren:** I have often said an actuary is an accountant without a sense of humour but never an accountant without a heart. It seems to me that in those days you must have been very concerned about what was happening. You must have seen it much clearer than most of us would who are laymen in this field. You must have seen those warning lights there and tried to do something about it.

**Mr. Neal:** At that point, very shortly after that occurred, the reverse occurred. If you would look at the 1976 benefit awards relative to the 1975 benefit awards, I believe they went up by only three per cent. Between 1976 and 1977, the benefit awards went up by only three per cent.

That in actual fact showed the signal to us that perhaps we were—as farcical as it would sound today—oversetting the liability.

**Mr. Laughren:** Even though it was set at \$400 million.

**3:30 p.m.**

**Mr. Neal:** When the unfunded liability was set at \$400 million there was no allowance for future ad hoc amendments. We had the 1974 amendment, which was a partial cost-of-living type of animal. The 1975 amendment was the first amendment that provided full cost-of-living adjustment for one year.

We are then into the year of the Wyatt Co. being retained by the then Minister of Labour to review the whole thing. The first phase of that review process was not completed until the spring of 1978. I believe you will find the Wyatt report was tabled in the spring of 1978 and the 1978 amendment came very shortly thereafter. Even at that point an interministerial committee was set up to review the Wyatt report, post-mortem the 1978 amendment, which presumably finished its work shortly before the 1979 amendment in late 1979.

In 1977 we saw a three per cent increase in benefit payments over 1976 in spite of the fact inflation was far higher than three per cent at that time. Assuming we should not prefund future amendments, the signals were that we were going too fast.

Look at the 1978 balance sheet. We had a three-year cost-of-living amendment and the unfunded liability during 1978 rose by \$10 million or \$15 million from \$380 million to \$390 million—that sort of thing. It looked as if we had overreacted.

**Mr. Laughren:** Why would you say that when, even if there had been no legislated increases coming and even if the inflation rate was to drop, you were still sitting there with a \$400-million unfunded liability that you presumably were concerned about and wanted to eliminate over a period of less than 10 years?

**Mr. Neal:** Without a three-year cost-of-living amendment in 1978, our unfunded liability would have halved during 1978. That suggested the 1978 assessment rate was a little high.

**Mr. Laughren:** Were you anticipating no legislated increase?

**Mr. Neal:** If there had been no 1978 amendment—

**Mr. Laughren:** Wait a minute. One minute you tell us that being an actuary is an art as much as a science—

**Mr. Neal:** The Wyatt report suggested the 1978 amendment should not have occurred, as I am sure you were well aware at the time.

**Mr. Lupusella:** Am I wrong to tell you that—

**Mr. Chairman:** Let Mr. Laughren finish his questioning, please.

**Mr. Lupusella:** —the total increases in 1978 were in the range of \$78 million?

**Mr. Neal:** The 1978 amendment cost \$240 million; it is in the 1978 financial statements which I happen to be looking at.

**Mr. Lupusella:** I am talking about the increases in pensions. Maybe you are talking about the total budgetary increases on all levels of benefits.

**Mr. Neal:** The 1978 amendment produced an increase of up to about 27 or 28 per cent. It was 11 per cent, 10 per cent and six per cent; compounded over three years.

**Mr. Lupusella:** I have a better explanation.

**Mr. Chairman:** Back to Mr. Laughren.

**Mr. Lupusella:** I am trying to defend Mr. Neal. I have been accused of—

**Mr. Gillies:** This is a change of heart.

**Mr. Lupusella:** I have a different explanation for my colleague. At the time these statements were made he was speaking from his own brain, but later on he embraced the philosophical approach of the board. That is why the unfunded liability increased; he did not speak with his own head.

**Mr. Laughren:** His mind has become polluted.

**Mr. Lupusella:** That is right.

**Mr. Chairman:** Now that we have that point straightened out, Mr. Laughren, do you have any further questions or are you satisfied with the answer of your colleague.

**Mr. Laughren:** It does perhaps explain some of the problem. Mr. MacDonald was getting into the act as well in those days.

**Mr. McDonald:** Not me.

**Mr. Laughren:** Mr. A. G. MacDonald.

**Hon. Mr. Alexander:** He is absent.

**Mr. Laughren:** He is ill and we shall not malign him. He stated: "In terms of recovering the funds for which we now have actuarial estimates, in terms of our full liability for the future, our assessment rates this year"—this was in 1976—"are just breaking us even for 1976 liabilities. It will not be until 1977 that we start to recover against our outstanding total deficit of unfunded liability."



I guess, Mr. Neal, you are saying that for Mr. MacDonald to have said that, it was assumed there would not be a legislated increase.

**Mr. Neal:** That is correct.

**Mr. Laughren:** That is where I think common sense departed the board, collectively, that it would assume that.

**Mr. Neal:** I do not understand why you would say that.

**Mr. Laughren:** It is for the same reason that you were able to assume—no, it was for a different reason. Prior to 1975, was it not a fact that you did not take rates of inflation into consideration when dealing with the liabilities of the board? Is that right? How could you not take inflation rates into consideration when you were dealing with liabilities of the board? However, you did not prior to 1975. You were not there; but why would the board do that? You may wonder why we as lay persons challenge the wisdom of the experts at the board, but we have seen what happened.

**Mr. Neal:** You are actually challenging my profession rather than the board.

**Mr. Laughren:** Accountants; yes.

**Mr. Neal:** What we are doing is leading edge for the profession. I am serious.

**Mr. Laughren:** Holy mackerel.

**Mr. Neal:** Take a corporate pension plan providing \$15 per month per year of service. We all know the 30-year-old worker who accumulates that pension this year will finish up with far more than \$15 per month for that year of service by the time he retires.

My profession, however, and union leaders, will insist on pricing it at that level during the negotiation process. No union would allow an employer to price that \$15 in constant dollars and say, "That is not going to cost three cents per hour per worker; that is going to cost 15 cents," which is probably what it is really going to cost. In the negotiation process it will be priced at three cents.

**Mr. Laughren:** But it is also renegotiated in a year, or two or three years.

**Mr. Neal:** Each time it is renegotiated it is priced.

**Mr. Laughren:** Right.

**Mr. Neal:** Why should workers' compensation not be the same?

**Mr. Laughren:** I wish it had been.

**Mr. Neal:** It is more aggressive than that already.

**Mr. Laughren:** Wait a minute. If that were true, if you had been pricing your assessments in keeping with your obligations, you would not have an unfunded liability that is flirting with \$5 billion in years to come. How could you have?

**Mr. Neal:** For the same reason that same pension plan has a large unfunded liability. Have you seen the size of the unfunded liabilities in those sorts of pension plans?

**Mr. Laughren:** No, I have not.

**Mr. Neal:** They are very substantial.

**Mr. Laughren:** Just two weeks ago I got a press release from Inco saying it has taken \$100 million out of the surplus of its pension plan in the US and was using that to write down its debt.

**Mr. Neal:** Inco probably has a lot of employees who do not work for it any more and there was a surplus related to those employees who left its service.

**Mr. Haggerty:** Let us hope it does not touch the Canadian part of the plan.

**Mr. Laughren:** I think we are getting off at a tangent here. My point is that it seems to me the board somehow is getting away with something I find offensive. You may not be getting away with something legally or even actuarially, but there is something wrong when the people who run the board can run the unfunded liability up to \$5 billion, by your own admission, in the years to come. There is something fundamentally wrong with that. You can look for scapegoats if you like.

**Mr. Neal:** I am not looking for any scapegoats.

**Mr. Laughren:** There is something fundamentally wrong. If it were simply a case of redressing assessment rates, then I would not be so upset about it, but I know who is going to end up paying for that. It will be the people who are supposed to get decent benefits. The employers will pay a chunk too and probably a very healthy chunk because of what I would call—I do not think it is unfair to say that represents mismanagement at the board, I really think it does. I would not be allowed to get away with that. The federal government tried it. They did not get away with it, did they? They were turfed out of office last fall for doing exactly what the board is doing.

**Hon. Mr. Alexander:** Are you implying now that you are very happy to see a Tory government in Ottawa? Is that what I hear?

**Mr. Laughren:** Are you kidding? No; they are liable to run the country the way the board runs the board.



**Hon. Mr. Alexander:** I do not know.

**Mr. Laughren:** I just think it is unfair—

**Mr. Neal:** I think you are taking it out of context. I really do.

**Mr. Laughren:** You think what?

**Mr. Neal:** I think you are taking it out of context. Let us take the Canada pension plan.

**Mr. Laughren:** That is a pay-as-you-go plan.

**Mr. Neal:** Why should workers' compensation not be pay as you go?

**Mr. Laughren:** Maybe it should be, but you have chosen not to do that. If you want to go to a pay-as-you-go plan, without being an expert on it I do not think I would be very upset, but that is not what you have chosen to do. You have chosen to go the other route. There are basically two routes to go on pensions, are there not: pay as you go or unfunded?

**Mr. Neal:** Most pension plans, except in the public sector, cannot be pay as you go—

**Mr. Laughren:** No?

**Mr. Neal:** —in order to ensure that the workers' benefits have some guarantee towards them.

**Mr. Laughren:** Okay; to ensure the payments are there.

**3:40 p.m.**

**Mr. Neal:** Should workers' compensation be financed to cover fully future ad hoc amendments if the act is not indexed? Is that a straightforward question?

**Mr. Laughren:** If it is not—

**Mr. Neal:** Fully indexed in the legislation. I do not think that is an obvious, simple question to answer.

**Mr. Haggerty:** But they do it in the private sector with sickness and accident insurance, do they not; and they are not going into debt over it. How do they manage?

**Mr. Neal:** They do not index those benefits.

**Mr. Haggerty:** Certainly they give sickness and accident insurance.

**Mr. Neal:** They do not index long-term disability benefits.

**Mr. Haggerty:** It is based on a percentage of the wages.

**Mr. Neal:** Yes, but the benefit is not increased after the sickness starts.

**Mr. Haggerty:** If their wages increase, their pension increases too—I should not say their pension, but their accident insurance.

**Mr. Neal:** But not for the person who is sick. If a person is on long-term disability for 20 years, unless the employer chooses to upgrade the plan and to do it for existing beneficiaries, which many of them do not do, those benefits are frozen and the purchasing power is eroded every year.

**Mr. Haggerty:** I question your comments on that particular area. In the United States, where there is private compensation, they are pretty well protected by it. The industry does not charge as much as it does here, in a sense, but the insurer somehow manages to make it go—the private insurance carrier carrying compensation.

**Mr. Neal:** But the incidence is much lower; the generosity of the benefits is much less.

**Mr. Haggerty:** I do not know about that.

**Mr. Neal:** You get paid for two years if you cannot do your own job, and then you get paid only if you cannot do any job.

**Mr. Haggerty:** You can draw the same—

**Mr. Neal:** The generosity of benefits under workers' compensation legislation is much wider than that under long-term disability.

**Mr. Haggerty:** You can draw the same parallel here. Unless you are only on short-term disability, yes, you are getting 75 per cent, or it may be increased more than that now under the new scheme.

**Mr. Laughren:** Mr. Chairman, I hope the record will show that it is the socialists who are arguing for a conservative fiscal management of the board.

**Mr. Haggerty:** But I suggest to you that when you look at it that way, if you look at someone who gets only a 10 or 15 per cent award for a back injury who has lost his total source of income, you are paying him peanuts. On the American side in the private sector they are getting paid for that lost wage income—maybe not the full amount, but 80 per cent or somewhere in there.

**Mr. Laughren:** Mr. Chairman, if I might continue, one of the things that bothers me is that despite the changing nature of work, which should mean less dangerous work, despite the shift to more and more white-collar work and so forth, the board does not seem to have altered its long-term predictions of liabilities. Perhaps it is realistic. I am not suggesting that you are being unrealistic in that regard; I fear you are being realistic.

What is depressing is that despite the changing nature of work we are still predicting enormous compensation costs in the province. I do not know whether that is because of a potential

increase, which I fear but was hoping you would not, in industrial diseases through the chemical industry and that kind of thing.

**Mr. Neal:** There is no allowance for that.

**Mr. Laughren:** There is no allowance for that at all? I tried to get at this earlier. Given all that, why are you still predicting such enormous compensation costs?

**Mr. Neal:** First of all, again we are dealing with claims that have already occurred for those workers. The reduction in risk in the work force in the future is of no solace to them whatsoever because their injury has already occurred.

You cannot change the volume of the claims that have already occurred. The only thing you can do is to rehabilitate them. In spite of all of Mr. Darnbrough's programs, the reality for a lot of injured workers out there is that the job they came from has disappeared from the economy in the last four or five years and is unlikely to return. There are serious dislocation problems there.

My forecasting is pessimistic in its outlook for those job opportunities, in effect. It is not quite so direct, but in reality the numbers are pessimistic rather than optimistic. There is a perception that injured workers, particularly those who are older, cannot be realistically retrained in masses. Individual cases can be successful, obviously, but it is not going to happen generally. The payments are going to be made. It would not be appropriate for me not to forecast that and to leave everybody in a false paradise. As Howard Cosell would say, "Tell it like it is." Then you get into trouble for doing so.

**Mr. Laughren:** Does your office try to measure the tradeoffs in costs between prevention and payment of benefits? Is that your role as an actuary? How do you get a message to the corporate board that says these are the projected costs or increases, rates of assessments or whatever under this set of circumstances? I believe mathematicians call them models. In one model, this will happen, but in another, on the other hand, even though there are certain substantial costs attached to prevention, this will be the result if those preventive measures are put into place and this will be the impact on the assessment rates and so forth.

**Mr. Neal:** I do not think it is possible to develop a model that says if you put these prevention measures in place, there will be a direct cause and effect. I can clearly show the board that if lost-time injuries, which are the ones that matter, are reduced by 10 per cent permanently, the unfunded liability, instead of

being funded over 30 years, will be funded over 17 years or whatever the number is.

That sort of gain is relatively straightforward, but on the other hand, to say if you take this and this measure, if you force every company with 20 or more employees to have a safety committee, that in itself will do it. Who can forecast those things?

**Mr. Lupusella:** Floyd can.

**Mr. Laughren:** In your area do you get into the whole question of rehabilitation? If there is rehabilitation to a satisfactory degree, it takes this person off supplement and so forth. Do you do that and say what the impact on the assessment rates will be?

**Mr. Neal:** Not directly.

**Mr. Laughren:** I do not want to imply, as my colleague would, that you do not think about these things and do not involve yourself in them, but it seems to me that would be a useful role for the actuary.

**Mr. Neal:** As we are increasing—

**Mr. Laughren:** I know it would increase Mr. Darnbrough's empire. Nevertheless, that might be a useful thing, if he had the wherewithal to have a better rehabilitation program. I think there is some room for that. You do not have that?

**Mr. Neal:** The models are moving in that direction. The actuarial department in workers' compensation in Ontario is 10 years young. The type of thing you are suggesting requires an enormous amount of information before you can even start to say what will happen if I press this button. It is pretty sophisticated.

You can answer a simplistic question. For example, if you can get the guys back three days sooner, this is what it does, but that is not what you are talking about. That is easy. When I ask someone to consider a program and tell me what it is going to do and ask him to help me with my cost-benefit study, that requires some pretty sophisticated model techniques, to say the least.

3:50 p.m.

**Mr. Laughren:** All right. Let us come at it from a different direction. What if Mr. Darnbrough went to you and said that an enormous proportion of the problems with rehabilitation concerns the low back, as I suspect an enormous proportion does. If he went to you and said, "We could remove the low back problem from the equation," what would happen to assessments and that kind of thing?

**Mr. Neal:** With six months' lead time we can do that sort of thing.



**Mr. Laughren:** It has been 10 years.

**Mr. Neal:** Ten years ago it would have taken a much longer lead time because this information was not even—

**Mr. Laughren:** I see, you are going to wait until it is a reasonable length of time.

**Mr. Neal:** I said to you up front that it takes a long time to put the basic stuff in place.

**Mr. Laughren:** I do not doubt that a bit, but what must drive the board and certainly the rehabilitation department to distraction is those low-back problems and the appeal system. If you ever took back problems out of the appeal system, my goodness, there would be an incredible—

**Mr. Neal:** If you take old and nonvisible injuries out of the system, life becomes nice and straightforward and simple, does it not?

**Mr. Laughren:** That is right, but obviously you cannot do that. I am not trying to be that simplistic; this is if rehab had a program, which it does not have now, for back problems. That is why rehab is the area of the board that should require most of our tender loving attention before this committee. I believe that is where the whole thing is falling apart. I suspect it is because of what Mr. Darnbrough has to work with rather than because he has the mind of an actuary or something like that.

**Hon. Mr. Alexander:** I do not think he appreciated that.

**Mr. Laughren:** That was said in—

**Mr. Neal:** I was going to say I have not heard a compliment such as that in a long time.

**Mr. Laughren:** That was meant as a compliment to Mr. Neal. I will stop for a while.

**Mr. Chairman:** Mr. McKessock, you had a question a while ago.

**Mr. McKessock:** That was about two hours ago. I forget what it was.

To follow up on that, you mentioned you had a program for the low-back cases. I am not sure what kind of a program that would be unless you could supply light jobs for everybody with low-back problems so you could get them back to work.

Interjections.

**Mr. McKessock:** It would be great to be able to cut costs like that by getting rid of low-back problems.

**Hon. Mr. Alexander:** Are you through with Mr. Neal for a moment?

**Mr. Chairman:** I think Mr. Haggerty had a question.

**Mr. McKessock:** I would like to turn to page 24 of the annual report where the unfunded liability is listed. I want to clarify a few points under expenses where it talks about "provision for increase in estimated present value of future payments to existing claimants." Is that the unfunded liability?

**Mr. Neal:** No. That is the increase in the liability itself.

**Mr. McKessock:** That is the increase itself.

**Mr. Neal:** If you add the three items up they come to \$640 million. If you go further up the report to the second line, under the liabilities part of the balance sheet, you will see that we went from \$3.31 billion to \$3.95 billion. The difference between those two figures is the \$640 million, which is the sum of those three items. The unfunded becomes the difference between—it is a little more complex than that.

**Mr. McKessock:** You are telling me that is an increase this year, but when you—

**Mr. Neal:** The liabilities increased by that amount, and as the assets did not increase at all it becomes the increase in the unfunded liability.

**Mr. McKessock:** When you look at the \$293 million and the \$147 million, they are less than last year.

**Mr. Neal:** Yes. The 1982 amendment is a nine per cent amendment, and the 1983 amendment is a five per cent amendment, if memory serves me correctly.

**Hon. Mr. Alexander:** That is right.

**Mr. Neal:** That is why the \$210 million went down to \$147 million. It was five ninths of the size of the amendment.

**Mr. McKessock:** Next you have gone up by \$50 million, which you are projecting; that is projecting ahead.

**Mr. Neal:** That is just a further provision.

**Mr. McKessock:** For the future.

**Mr. Neal:** For future amendments. The total provision has reached \$500 million. During 1983 we increased it from \$300 million to \$500 million; so the increase is \$200 million. This is an increase in a liability item here because it is an expense item. It is pretty complicated accounting stuff we are into.

**Mr. McKessock:** I just want to go back to something you said half an hour ago. You said if you increased it by \$3 you would wipe out the unfunded liability figures in 30 years.



**Mr. Neal:** I said if we increased the average assessment rate to \$3.

**Mr. McKessock:** What do you mean by that?

**Mr. Neal:** To increase it to an average of \$3 per \$100 of payroll.

**Mr. Laughren:** That would be a 50 per cent increase.

**Mr. Neal:** Roughly, yes. The rate for 1985 is estimated to be \$2.31.

**Mr. McKessock:** That is the average.

**Mr. Neal:** The average is \$2.31, up from \$2.17 in 1984. Those averages keep moving around because the mix of work force between industry shifts and the average therefore changes.

**Mr. McKessock:** I see. When you said to increase it to \$3, you were really saying to increase it by 50 per cent.

**Mr. Neal:** Yes.

**Mr. McKessock:** Everyone would be increased differently. It would be the same percentage but—

**Mr. Neal:** No. Different industries would be different.

**Mr. McKessock:** Different percentages?

**Mr. Neal:** Some industries are in much worse shape than others, or conversely some are in better shape than others, because each industry stands on its own two feet.

**Mr. McKessock:** If you increased it to \$3, are you saying you would increase everybody by the same percentage to bring it up to \$3?

**Mr. Neal:** No.

**Mr. McKessock:** So you would go over it and increase—

**Mr. Neal:** We would look at each individual rate group and see what was needed there. Some rate groups—

**Mr. McKessock:** Are you saying they are not correct now?

**Mr. Neal:** The changes that have occurred differ for different industries. Some industries have not suffered a recession and, not surprisingly, the time their workers are staying on benefit has not increased. For others the recession has been extremely harsh and the time their workers have stayed on benefit has increased by far more than the average. These things affect their unfunded liability and the cost of new claims.

You have to be careful when you are dealing with averages that you do not infer that it applies equally to each of the 110 industry groups that we

have, because the impacts are different for different rate groups.

**Mr. McKessock:** How do you do this on a yearly basis? Do you make these changes on a yearly basis? You are looking at them all on a yearly basis anyway.

**Mr. Neal:** That is right.

**Mr. McKessock:** To say you would increase them to \$3.

**Mr. Neal:** No. This was the average rate.

**Mr. McKessock:** But you are still saying you are not just going to increase them all by 50 per cent; you are going to look at each one a little more harshly than you do each year. You are going to go over them again but look at them a little more harshly.

**Mr. Neal:** You are going to revisit each one each year.

**Mr. McKessock:** The consequences being that you would raise the premium to \$3 instead of \$2.31.

**Mr. Neal:** On average.

**Mr. McKessock:** On average.

**Mr. Neal:** It is obviously difficult to communicate 108 different numbers when they are moving. You have to go to averages to communicate strategically what you are trying to do.

**Mr. McKessock:** But you are doing that every year. You are saying what you would do to increase it to \$3; you are doing that every year, but you would just be a little harsher. Am I right?

**Mr. Neal:** Basically, we have a method of setting the rates. If we say we will limit the increase to a maximum of 15 per cent, and if the rate was \$1, the maximum increase is 15 cents to \$1.15. The next year the maximum would be another 15 per cent, which would bring it up to \$1.32 or whatever, because it compounds.

We have said an industry's cost should not change by more than a certain amount from one year to the next; it should have time to phase the change in. We have talked for several years now of a maximum increase of 15 per cent. There was a proposal a couple of years back to make it higher than that, but industry thought it could not handle it and they got their 15 per cent back.

4 p.m.

**Mr. McKessock:** How often do you make that decision? Is it a yearly thing?

**Mr. Neal:** It is every year, and the maximum increase is part of the corporate board's decision.

**Mr. McKessock:** One other thing. You were talking about the assets you have and the

investments you make. The investment income there shows that this year you made \$166 million.

**Mr. Neal:** Yes.

**Mr. McKessock:** How much did you have invested to make that?

**Mr. Neal:** If you take the \$1,969,000,000 of total assets first of all, you then have to remove from that the noninvested assets such as accounts receivable, because employers are billed quarterly instead of paying their premiums up front, for instance, and you basically come down to about \$1.65 billion of invested assets.

**Mr. McKessock:** You have \$1.65 billion.

**Mr. Neal:** In rough terms. In other words, it is the first two lines of those assets. You really should take the average of that figure in the previous years to know what the average invested assets were during the year if you want to start coming down very specifically on it.

**Mr. Haggerty:** That is about a 10 per cent return on your money, is it not, if you are talking about \$166 million?

**Mr. Neal:** Yes. It is a little more than 10 per cent.

**Mr. Haggerty:** That is different from the average we heard earlier, which was 11.85 per cent.

**Mr. Neal:** That was on mortgages. You are getting into the game of running yields versus average yields.

**Mr. McKessock:** So you are about \$250 million under. If you take those investments off your unfunded liability, you would have a deficit of about \$250 million. Is that right?

**Mr. Neal:** I am completely lost now.

**Mr. McKessock:** If you have assets of \$1.6 billion that you have invested and your unfunded liabilities are \$2 billion, then you are in the hole by about \$250 million.

**Mr. Neal:** You are saying that I should have had \$400 million of investment income.

**Mr. McKessock:** I am just saying that if you had \$2 billion in investment income and \$2 billion in unfunded liability, you would break even.

**Mr. Reilly:** Mr. McKessock, may I point out that in actual fact the liabilities were \$3,994,000,000. Liabilities of \$3,994,000,000, less assets of \$1,969,000,000, give you the unfunded liability of \$2,025,000,000.

**Mr. McKessock:** I was just trying to make it look better for you by saying that you have a liability but that you have got an investment.

**Mr. Reilly:** But the investments are already taken off.

**Mr. McKessock:** Oh, the investments are taken off?

**Mr. Reilly:** Yes.

**Mr. Neal:** The \$4-billion liability is actually \$8 billion to \$12 billion of benefit payments discounted back to allow for future investment income.

**Mr. McKessock:** I see. So when you get the unfunded liability, your capital investments have already been taken off.

**Mr. Neal:** Yes.

**Mr. Gillies:** And future return.

**Mr. Neal:** Yes. The future return is there. Otherwise, obviously, we would be accused of grossly overstating what we need. We would not want to be hit with that one.

**Mr. McKessock:** I am used to reading the Ontario budget, and sometimes that happens.

**Mr. Neal:** This is full accrual; this is not cash accounting.

**Mr. McKessock:** Another thing that was brought up earlier was the \$408 million in mortgages and the fact that Canada Mortgage and Housing Corp. guarantees it to you. The question was asked before, and was not quite answered, about what the cost is of that guarantee.

**Mr. Neal:** There are two costs, in a sense. Obviously, the person who borrows the money from us pays an insurance premium.

**Mr. McKessock:** He pays that plus the interest rate you charge.

**Mr. Neal:** That is his problem. Our cost, if you want to call it that, is, "Yes, there are mortgages that will have a higher yield without the guarantee, but together with that higher yield is a higher risk." It is a judgement call when you buy an investment. The higher the risk, the higher the yield, obviously, and our feeling is that it is not worth the slightly higher yield to take all that risk.

**Mr. McKessock:** I was just wondering how that worked. Do they pay the insurance premium to CMHC?

**Mr. Neal:** Yes. That is my understanding.

**Mr. Haggerty:** Have there been any defaults in this area?

**Mr. Neal:** We have had the odd one where we have had to collect from CMHC. Right, Bob?

**Mr. Reilly:** Yes. Where there is a default on a mortgage, we look to CMHC for reimbursement.



They will reimburse that mortgage amount to us and they take over the responsibility.

**Mr. Haggerty:** What numbers are we looking at in dollars?

**Mr. Reilly:** Very small. We have never lost anything on a mortgage. We recover from CMHC; so we do not lose. If we do not get it from the principal, we get it from CMHC; they take over the mortgage.

**Mr. Haggerty:** I want to look at page 12 and the changes in the accident fund investment portfolio. In the charts, in the green colour, you have long-term bonds. In 1981 you had 68 per cent of your portfolio invested in those. In 1982 it dropped to 63.5 per cent and in 1983 it dropped to 63 per cent. So we lost nearly five percentage points. At the bottom, under short-term securities, you have moved from the green to the white and the increase is about five per cent there. Is that what happened to this? You got into short-term securities?

**Mr. Reilly:** Yes. The change in the mix depends on the advice we get from our consulting people who advise us on whether to go to long-term bonds or to mortgages or to stay short.

**Mr. Haggerty:** What is the return on the short term? What are we looking at in the overall picture?

**Mr. Reilly:** In 1983, the return on short-term securities was 9.5 per cent; it had been up to 16.5 per cent in 1981 and it was 11 per cent in 1982. In 1984 it went up to 10.97 per cent, almost 11 per cent again. There was a dip in 1983 because the rates dropped.

**Mr. Haggerty:** So you are looking at six to 12 months' purchase on the short-term securities?

**Mr. Reilly:** Thirty, 60, and 90 days usually are short.

**Mr. Haggerty:** And you are getting only 9.5 per cent on that?

**Mr. Reilly:** On the short term.

**Mr. Haggerty:** You are turning it over, though, are you?

**Mr. Reilly:** Yes.

**Mr. Haggerty:** What would the end results be? Would they be doubling at 18 per cent or something like that?

**Mr. Reilly:** What was the question?

**Mr. Haggerty:** If you buy in 60-day notes at 9.5 per cent, for example, you are getting it back at 9.5 per cent and then you are reinvesting that. In the overall picture, on the original investment, are you getting 18 to 20 per cent return?

**Mr. Neal:** That is 9.5 per cent per annum. If it is a half-year security, it will give you about 4.75 per cent.

**Mr. Haggerty:** Why would you be moving in that area? In the long-term notes, say the five-year notes, you could probably get 11.5 per cent. You could get 11.5 per cent on five-year mortgages.

**Mr. Reilly:** At that time, long-term securities were probably lower too. I cannot give you an exact figure, because they usually run five years.

**Mr. Haggerty:** If we were talking about the peak period of the high interest rates, in 1981 and 1982?

**Mr. Reilly:** Yes, but we are talking about 1983. We are looking at our 1983 report. In 1982, the yield on short-term securities was 10.95 per cent; in 1981 it was 16.57.

**Mr. Haggerty:** If you invested in the Ontario Development Corp., the average return is about 12 per cent. There are some free interest—be careful of that one, but that goes to all sorts of clientele.

I ought to have had Mrs. Haggerty take a look at this. She does a better job in investing than you people do, for return on money. I look at this 11.5 per cent. In 1983 there were some peak periods of interest rates. If you looked in your crystal ball at the forecasts on the American side, the economists there thought interest rates would be going up by the latter part of January. They are going up and will remain up until the end of April. Then they will come down again because the farmers will have to borrow a little more cheaply, but they will go back up in the fall. So they will lose that again.

4:10 p.m.

**Mr. McKessock:** How many investments do you have at 20 per cent?

**Mr. Neal:** Not a lot.

**Mr. McKessock:** Do you have some?

**Mr. Neal:** What is our highest yield? Is it about 16 or 17 per cent?

**Mr. Reilly:** I could not tell you offhand.

**Mr. Haggerty:** If you buy Hydro bonds issued at 12.5 per cent, that is a good investment. That is a lot higher than you are getting here. I cannot understand why you are not getting the highest return possible.

**Mr. Reilly:** We are talking about the average rate of return. We are buying over a period of years. We are not selling today and buying again tomorrow.



**Mr. Haggerty:** You are looking at five years.

**Mr. Reilly:** That is right. Therefore, when you put it away for five years, it is locked in for five years at whatever the rate might be.

**Mr. Lupusella:** You have investments in Hydro bonds of \$500 million.

**Mr. Reilly:** We have a lot of Ontario Hydro bonds.

**Mr. Haggerty:** What is the return?

**Mr. Reilly:** It depends when we bought them. Some of them may be at seven or eight per cent, but some may be 12 or even 15 per cent.

**Mr. Gillies:** What was a five-year note five years ago? It was somewhat lower than it is now, so when you average it all out it is going to bring you down to the current rate.

**Mr. McKessock:** About 19 or 20 per cent. Interjections.

**Mr. Gillies:** However, when you average it all out, it often makes it a little less attractive.

**Mr. Haggerty:** It has not been until recently, in 1984, that borrowing from Canada Mortgage and Housing Corp. has been at 11.5 to 12.75 per cent. Looking at what you are telling me about the average return, I do not think you are really getting full value for what you are investing in this area.

**Mr. Reilly:** As far as the board's investment fund is concerned, it is reckoned to be in the top third of all the funds in Canada.

**Mr. Haggerty:** Who are your advisers? What securities companies are we looking at? Do you have one, two or how many?

**Mr. Reilly:** We have four people. We have an independent economist, we have a vice-president and an economist of one of the major banks, we have a vice-president from one of the large employers in the province, and the fourth is a vice-president of one of the large insurance corporations. These people all have an economics background and they are all in the investing business. We meet with them quarterly and they give us their advice as to how they see the market. The board will then act. After we consider their advice, we decide what we should do.

**Mr. Laughren:** Would you allow a short supplementary here?

**Mr. Haggerty:** How short is it?

**Mr. Laughren:** Very short; there are only a few minutes left and I will not reel you in, Mr. Haggerty.

Would it be a burdensome task to bring the list of investments to the committee?

**Hon. Mr. Alexander:** We can make that available.

**Mr. Gillies:** The select committee on pensions had quite a presentation from the Pension Commission of Ontario and from administrators of the various funds with lengthy explanations as to why their annual return in aggregate was not more attractive. As I recall, some of those funds—I am thinking of public sector pension funds and so on—were bringing in only in the six to seven per cent range. It sounded awfully low. That is why I was not surprised when I saw this one coming in at a point or two below what we might think is optimum right now.

**Mr. Haggerty:** I think they were locked into long-term. You are going back to about 1969 when they were purchased, the same as the Canada pension plan. If we look at what Ontario has borrowed and what it is paying, it is 3.5 per cent or something like that.

**Mr. Gillies:** Yes. If you compare this fund to other comparable funds for various pension plans, it is really not bad at all.

**Mr. Haggerty:** The other concern is that there are private carriers carrying some form of compensation. I think it is permitted under the act. Am I correct in that?

**Hon. Mr. Alexander:** We have schedule 2, if that is what you are talking about, private self-insured, but other than that, no.

**Mr. Haggerty:** Is there success in this area, in them not running into a deficit, in comparison to that run by the WCB?

**Mr. McKessock:** I think if I understand Mr. Haggerty, he is talking about an individual who is working for himself. If he has his own business, he can buy compensation insurance through a private plan.

**Mr. Haggerty:** That is right.

**Mr. McKessock:** You cannot buy it for your employees, but you can have it for yourself.

**Hon. Mr. Alexander:** That is true.

**Mr. McKessock:** Is that what you were talking about?

**Mr. Haggerty:** I do not know. I am looking at—

**Hon. Mr. Alexander:** I do not know whether it is any cheaper than the board's experience. I guess that is the bottom line.

**Mr. Neal:** It is usually a different product. It does not provide the same benefits.

**Mr. Haggerty:** I am looking at the area of domestic help, now they are going to be included under workers' compensation. I understand there are some persons who have carried some form of private compensation plan where, if a person became sick or disabled through an accident, he would be compensated, and I understand it has worked very well in the private sector.

I suppose the question relates to the domestic help who will now come under the act. What is your forecast in this area? You have your barometer here. Take a look at it. Have you forecast what revenue will be coming in and the number of claims that will be established in the domestic area? Is there a balance in this thing?

**Mr. Neal:** That is a very difficult one for us because nobody really knows how many people are providing domestic services more than 25 hours a week for a single employer. Those are the various provisions within Bill 101 that will cause a domestic to be covered or not covered, and nobody has a really good handle on how many people are going to be involved. Also, nobody has any information on the volume of claims that will come from it because the information does not exist at present.

We can guess that the experience will not be significantly different from the experience of people who provide domestic service through something such as Molly Maid. They have been covered for a long time, so we are going to put them in that same rate group. I think it will be several years before there is enough experience to really know, because in the short term a few unusual circumstances can distort the record of a small group. Nevertheless it will be a fairly small group, but over a few years, we will find out what the experience is.

For any new industry that comes under the act, such as when the farmers were brought in during the mid-1960s, to start with you are dealing with guesses, approximations. The domestic group is small enough that it is not going to impact on the deficit very much either way.

**Mr. McKessock:** You never did get the farmers' rate down low enough after they were brought in.

**Mr. Haggerty:** I raised that question because I thought you would come up with some figure in your crystal ball estimations.

Interjection.

**Mr. Haggerty:** You should have had the numbers you estimate, and the forecast of the revenue that will be generated, when you

introduced it into the bill. I am just looking at that.

In the area I represent there are a number of lakefront property owners, and they are pretty well all Americans, who hire gardeners for six or seven months of the year. I guess they will have to be included in this now. I do not think they are even aware of it, but in a number of cases they do carry their own private insurance. It sometimes provides good service to the employee, so if he is off sick or disabled, the insurance will cover the cost based upon medical findings. That is one area I thought you should be taking a look at. Some of the other questions have been raised here and I thought it would be of some interest to open it up.

4:20 p.m.

Some other questions in which I have some interest have been raised here. Take the Canada pension plan. Now that it is incorporated into the statutes of Ontario under the Workers' Compensation Act I can only assume there will be some benefit to the Workers' Compensation Board in that it will dovetail this into any award under that plan that may include those who are considered totally disabled. This would be part of their package, plus their company pension plan too. There should be some benefit to worker's compensation, because you are piggybacking on Canada pension.

In other words, when you make the final award—I know it has been done in the past—you are saying: "You can apply for Canada pension. That should bring you in roughly \$300 a month." That is for a person who is considered disabled. "Then there is your company pension plan; that brings in \$600 a month," and the worker's income could be \$18,000 a year. He has been removed from the job market because of his total disability, but when you come up with a 30 per cent award that gives him another \$260 there is quite a shortchange in there.

I hoped we would be piggybacking on Canada pension, but your numbers must change quite a bit, because if I interpret the act correctly, eventually you are going to have to come up with that 75 per cent total disability award. There are a number of injured workers who will fit that category.

**Mr. Neal:** This is with regard to the pension supplements?

**Mr. Haggerty:** Supplement—whatever it may be.

**Mr. Neal:** The basic permanent disability award itself will be unaffected by the CPP offset.



If a worker is rated as 60 per cent permanently disabled, that worker will first of all get that 60 per cent benefit for life; there is no change there. What you are discussing is the pension supplement, where the circumstances of the individual worker are more serious than normal and we provide a supplement for a certain period of time.

**Mr. Haggerty:** For a period of time. You are coming into your particular field, as an actuary. If you take a look at the Canada pension plan you do not get it that easily. Sometimes it is harder for a person to get that than it is to establish a workers' compensation claim due to a disability. When you consider the Canada pension plan, the act says you must be totally disabled and removed from the work force.

I am saying you have to take a look at this. When that person gets the Canada pension, then the board has to change its attitude and say: "Yes, he is considered totally disabled. He is permanently unemployable." Forget about this supplement. He is going to have a loss of wage income.

**Mr. Neal:** It depends what caused the disability. Canada pension plan is compensating for disabilities that are, or are not, occupation related. Canada pension plan entitlement is independent of the cause of disability and the usual reason is that the worker has several problems. He may have had heart attacks, plus a back problem.

**Mr. Haggerty:** I am talking about the injury related to the accident in the first place under workers' compensation. It has been a practice of the board, and your consultants will always address themselves to it this way, in saying the worker has the option to go to Canada pension to get it.

In other words, they are saying the worker can be supplemented on this side here, but to get the Canada pension based upon the worker's accident—we are not talking about some other organic problem that may arise with an injured worker who is applying for Canada pension. Workers' compensation does not come into that. I am talking about an injured worker.

You are going to have to reconsider your position in this area and come up with some numbers—not the supplement. You are going to have to say, "Yes, total disablement."

**Mr. McDonald** is shaking his head. That is one of the problems down at the board. He misinterprets the intent of the Legislature, but that is the purpose of it. You want to piggyback on to the Canada pension plan, but you do not want the board to pay full compensation, which I think is totally irresponsible of the Minister of Labour

(**Mr. Ramsay**) or whoever is responsible in this area.

**Mr. McDonald:** With respect, you are saying that because CPP says the man is totally disabled, we have to say he is totally disabled. That is not correct, sir, and it is not in the new legislation.

**Mr. Haggerty:** I know that, but that is what I am saying. You are piggybacking on this hoping the guy will go and get Canada pension. You say, "Here is \$300 that we do not have to find under the Worker's Compensation Act."

**Mr. McDonald:** Under the existing act, the application for CPP is a bar to a supplement. The new legislation removes it.

**Mr. Haggerty:** You can always do that in practice. Every time a person goes in for a medical assessment, it goes before a pension review officer and he will even ask, "Is your spouse employed?" That is all taken into consideration when you make the final analysis of the degree of disability and to what he is entitled.

**Mr. McDonald:** I disagree with you totally.

**Mr. Haggerty:** However, that is what takes place.

**Mr. Chairman:** I think perhaps when we are dealing with claims that might be an appropriate question to ask.

**Mr. Haggerty:** The Canada pension plan matter was raised and I think that is what it is going to be used for. The board is going to piggyback on to it, saying, "Here are some measures that are going to give you some assistance," without really looking at the special award that should be given to the injured worker. Many people out there had to go to Canada pension to even survive on a minimum income. I feel rather disappointed in the board's action or policy in this area.

As I said in my opening comments, it is related to the unfunded liability. The money is not there and you are stalling until you can find some measures to resolve that. If it were not the case, I am sure there would be more money given to the injured workers, but you have taken it out on them. It is hard to accept the board's policy and we are here to review it.

**Mr. Chairman:** Primarily, at this stage of the game, we should be asking questions so that we can get answers.

**Mr. Haggerty:** I have the question. It is not going to give the area of disablement to which the person is entitled, based upon the worker and the injury that has occurred.



**Mr. McDonald:** I can assure you the amount of the unfunded liability has no bearing on the level of permanent disability granted an individual worker.

**Mr. Lupusella:** There is no way to verify that.

**Mr. Haggerty:** That is right. I have to agree with you.

**Mr. McDonald:** Do you really believe that?

**Mr. Chairman:** Our time is nearly up. Tomorrow morning we will come back. We thank Mr. Neal for appearing; we may or may not see him later in these sittings. Tomorrow morning, I think we have to finalize the answers from Mr. Alexander to you, Mr. Haggerty. Then we have the third party response.

The committee adjourned at 4:28 p.m.

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Gillies, P. A. (Brantford PC)

Haggerty, R. (Erie L)

Laughren, F. (Nickel Belt NDP)

Lupusella, A. (Dovercourt NDP)

McKessock, R. (Grey L)

### **From the Workers' Compensation Board:**

Alexander, Hon. L. M., Chairman

McDonald, J. F., Executive Director, Claims Services Division

Neal, J., Board Actuary

Reilly, R. D., Assistant General Manager, Executive Division





No. R-48

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1983

#### **Fourth Session, 32nd Parliament**

Wednesday, February 6, 1985

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, February 6, 1985

The committee met at 10:11 a.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983 (continued)

**Mr. Chairman:** Members of the committee, when we adjourned yesterday, Mr. Alexander had some responses to make to Mr. Haggerty's opening statement. We will begin at that point.

**Hon. Mr. Alexander:** Mr. Chairman, Mr. Haggerty made some points. We covered the first one, which was a very interesting and very detailed look—if I can put it that way—into the overview of the unfunded liability. I think that is at the side now.

With regard to the other issue he wanted to address, I hope he has this case for us. I think there was one in which it took about a year to procure a date for a hearing. I hope he will give us that privately because I would like to look at it. I know he has mentioned my name with respect to the correspondence, but in that vein, we have Mr. Tom Warrington, vice-chairman of appeals, who is responsible for the appeals adjudicator and the appeal board. Perhaps Mr. Haggerty would like to forward his questioning to Mr. Warrington at this time regarding the whole appeal setup.

**Mr. Chairman:** It would probably concern the general nature as opposed to this one specific claim.

**Hon. Mr. Alexander:** Heavens no! I did not mean the specific claims. I would not want to take the time of the committee. First, I do not think we would have the file here. Second, we would have to get it in order to answer his question. He had some comments about the process, the setting of the appeal date and the hearing as well. I guess there was a delay. That is his concern.

**Mr. Haggerty:** The latest correspondence I have from the board is that they moved it from May to February 22 or something like that.

**Mr. Warrington:** Mr. Chairman, maybe I can assist Mr. Haggerty. He was not aware of a letter that was sent a few days ago; I believe he received it yesterday. It is true the hearing had been set for May, but we have informed him, or I

am informing him now, we can set that date earlier.

The problem of late hearings lies with the appeals adjudicator. We have instituted a couple of new policies in that we now have 8 a.m. hearings and 3 p.m. hearings; so there are openings in the next few weeks and the next month or so. We are trying to set priorities for hearings and offering these times to those who are in need.

**Mr. Haggerty:** You moved that up from May 14 to February 28.

**Mr. Warrington:** Yes.

**Mr. Haggerty:** I thought when I got the letter this morning it was a quick response to my question.

**Mr. Chairman:** It is part of the service. Mr. Warrington, did you say eight a.m. hearings?

**Mr. Warrington:** Yes.

**Mr. Chairman:** And three in the afternoon?

**Mr. Warrington:** At 3 p.m.; that is correct.

**Mr. Chairman:** Why the difference? Why not eight in the morning and eight in the afternoon.

**Mr. Warrington:** We are attempting to cut down the serious backlog. We have a serious backlog.

**Mr. McDonald:** Excuse me. He said eight hearings in the morning and you are talking about 8 a.m.

**Mr. Chairman:** Are there eight morning hearings?

**Mr. Warrington:** No, it is 8 a.m. We are beginning hearings at 8 a.m. rather than at 9 a.m.

**Mr. Chairman:** I am sorry. I thought you were saying you would hear eight in the morning.

**Mr. Warrington:** In other words, we are adding two hearings per day in an attempt to cut down the backlog.

**Mr. Haggerty:** You are going to have quite a few overnight guests for the 8 a.m. hearings.

**Mr. Warrington:** That is a possibility.

**Mr. Chairman:** How many hearings are there in a day?

**Mr. Warrington:** We anticipate breaking all records this week because of what I have said and the additional staff we are using; that is part-time

staff, retirees we have brought back mostly to handle out-of-town hearings. We have scheduled a total of at least 143 at the appeals adjudicator level and about another 23 at the appeal board. It is around 160. I am sorry; it is 126 at the appeals adjudicator level, which is more than we have ever had before.

**Mr. Lupusella:** How do you explain the increase?

**Mr. Warrington:** That is a difficult question to answer, Mr. Lupusella. Until the third quarter of 1983 we were at our normal level of setting appeals adjudicator and appeal board hearings. In the last quarter of 1983 we noticed a trend to more appeals. It was difficult to understand because we were coming out of a recession, as you know. Investigation told us that a lot of the problems were with reopened claims, particularly in the Sudbury and London areas. We anticipated that would level off. At that time, we hired retired appeals adjudicators who were willing to come back and work part-time, particularly in Sudbury and the London area. We increased our numbers in the field.

That increase did not slow down; it just kept on going. Early in 1984 we hired another appeals adjudicator and in the latter part of 1984 we hired two more. We now have 16 appeals adjudicators, plus the part-time people working.

**Mr. Laughren:** Is Bill Kerr one of them?

**Mr. Warrington:** No. Does that answer your question, Mr. Lupusella?

**Mr. Lupusella:** I am going to get to the appeals system when I make my own presentation.

**Mr. Laughren:** Rehabilitation, too.

**Mr. Haggerty:** We are talking about the present appeals system. As I understand it, under the new act some of your senior appeals staff—I am thinking about the third level now, before the board level—

**Mr. Warrington:** Board level; yes, the commissioners.

**Mr. Haggerty:** The commissioners; they have moved from Bloor Street East to Bloor Street West.

**Mr. Warrington:** That is correct. That is in preparation for Bill 101.

**Mr. Haggerty:** Why is there the separation? Is that necessary at this time? You have had the facilities in one building but now you have to go across to the other side. There are difficulties at the present time with the elevators in the one

building without going over and tackling the elevators on the other side.

**Mr. Warrington:** Actually, the elevators at 2 Bloor West are much better than those at 2 Bloor East. Aside from that, as you know, the Weiler report is now over four years old and there has been a tremendous amount of debate during those four years. We were not reasonably sure until about the last year that there actually was going to be an external appeal board.

Knowing that was to take place, we thought at that time it would be January 1, 1985. That has now been pushed to what we think will be July 1, 1985. Because it is an independent appeals tribunal, in preparation we felt it was necessary that the appeals tribunal be as close as possible, as adjacent as possible, to the Workers' Compensation Board but must show independence and be away from the operating areas of 2 Bloor East.

**10:20 a.m.**

At that point the logical place was 2 Bloor West. We had to be close by because of file flow. File flow is a serious problem. We checked with the owners of 2 Bloor West and found that the only space they had was that being vacated by Bell Canada's executive for its eastern division on the 34th floor. If we did not take that space within a couple of months, nothing would be available until the middle of 1986, and that would have been an impossible situation for us. In addition, the rent was lower. So we negotiated a deal with the owners and, as a result, moved over in preparation for Bill 101 implementation, plus the fact that we were very limited in space at 2 Bloor Street East.

**Mr. Haggerty:** You are saying that the rent is lower there than this locked-in cost?

**Mr. Warrington:** Yes.

**Mr. Haggerty:** I should go back to that original deal of the Workers' Compensation Board, should I not? You are still locked in with high rental costs then?

**Mr. Warrington:** I cannot get into detail on this, but my understanding is that the rent we pay is extremely good, much lower than that of other tenants in that building and in the adjacent area.

**Mr. Haggerty:** You should move into that building then. Look at the saving you could realize for the board. You could pass them on to the injured workers.

**Mr. Warrington:** There is no way; there just is not space available, plus the fact that we must use a total of at least 22 or 23 floors at 2 Bloor Street East.



**Mr. Chairman:** Mr. Alexander?

**Hon. Mr. Alexander:** I do not think there was anything else that I can recall, Mr. Chairman. Have you covered your concerns at this moment, Mr. Haggerty?

**Mr. Haggerty:** At this moment, yes.

**Mr. Chairman:** At this moment in relation to your opening statement.

**Mr. Haggerty:** Yes. I am waiting for Tony to get on with his.

**Mr. Lupusella:** Mr. Chairman, I still have a terrible cold, but I am pleased to make my contribution to and criticism of the administration of the Workers' Compensation Board, in particular in relation to the annual report, 1983.

In reading this annual report, I found it very interesting to note there are a few lines on the inside of the front cover, which read: "The Workers' Compensation Board's hospital and rehabilitation centre, which in 1983 admitted more than 11,000 injured workers from across Ontario, celebrated 25 years in its suburban Toronto location."

Last year the chairman and members of this committee were quite critical of the report that was presented to the Legislature. We noticed the report was a little bit stingy in the information and statistical data it gave the members of the Legislature.

I think the board should expand, for example, on its hospital and rehabilitation centre. We now know the total number of people going into the centre, but we do not know how many people stayed in the centre, how many were released and went back to work and how many requested full compensation. The general practice of the board is that when an injured worker is released by the rehabilitation hospital—and I am talking in general terms—he or she is released with the idea that he or she can perform a light job.

We do not have any of these statistical data in this report, even though I notice an improvement in relation to statistical data on claims—for example, the table on claims response time, 1981-1983, and that on claims instituted on doctors' first report. I realize there is a slight improvement in comparison with the 1982 report. Members of this Legislature were complaining about the lack of statistical data, and now I notice there is some information about complicated claims, lost-time claims by part of body injured and the changes in the accident fund investment portfolio.

I think the board has the expertise, the capability, the manpower, the skills and the

trades to produce a good report in order to inform the public and the members of this committee about the overall situation of injured workers across Ontario. We know in general terms the operation of certain departments within the board, but if we want to realize and admit the state and wellbeing of injured workers and offer positive and concrete proposals, we need this type of statistical data to assess the operation of the board.

**Hon. Mr. Alexander:** Mr. Lupusella, your point is well taken. You know an annual report does not really give complete operating details. It is more or less an overview. It is a question of how much you can put in an annual report. I know you have seen a number of them from various companies and so forth.

What is happening here is that the annual report is before you at this particular time and questions can be asked and answers given with respect to specific details. But I think your point is well taken. We will go back and look at what we can do with respect to giving further statistical information as it relates to the several questions you have raised.

I would want the report to be as good as humanly possible and I appreciate your stating that we have some marked improvements there. I have seen earlier reports and they left something to be desired. As I have said earlier, we are here to get your counsel and your expertise. If you find there are not enough statistical data—and you mentioned the hospital, in particular—we will see if we can address your concerns in that regard, sir.

**Mr. Lupusella:** Okay. Thank you. Mr. Chairman, as you noticed, I have been trying to be fair in my criticism.

**Hon. Mr. Alexander:** Oh, you always are, sir.

**Mr. Chairman:** I was just saying to the parliamentary assistant, "Now comes the big but." However, having said that, please continue.

**Mr. Lupusella:** The point that was raised last year about a lack of statistical data was taken into consideration to a certain extent.

**Hon. Mr. Alexander:** That is right.

**Mr. Lupusella:** We noticed an improvement. It is as simple as that. In particular, you are getting into the area of appeals, for example. The immediate question is why there is an increase. I do not have any statistical data from which I can formulate my own judgement and find out why the increase in the appeal system took place in

1983, 1982 or in any other year. I have my own assumption as to why there was an increase in the volume of appeals in 1983, which eventually might be dismissed because I do not have any statistical data to counteract the explanation given by the officials of your board.

**Hon. Mr. Alexander:** I understand, sir.

**Mr. Lupusella:** As I stated before, my own interpretation of the increase in the number of appeals—unless I am going to see a breakdown on the statistical data next year in the 1984 annual report—is that a lot of people are appealing the degree of their pension. They are not satisfied with the assessment given by the board and automatically they turn to the appeal system to increase the degree of their disability. I know the majority of the people are completely dissatisfied about the degree and level of permanent disability awards given by the board; and of course the remedy, which they have in their own hands, is the appeal system.

With respect, you mentioned that the number of appeals is related to reopened claims. It can be one or another reason, but you can include my own explanation as well, that people are not pleased with the amount of money they are receiving based on the level of their permanent disability award and they turn to the appeal system.

**Mr. Warrington:** Mr. Lupusella, would you prefer that I respond to that now? I have those figures.

10:30 a.m.

**Mr. Lupusella:** All right. It will make our life easier if all of these figures are incorporated in the annual report.

**Mr. Warrington:** For 1984? Do you want it in the 1984 report? Is that what I understood you to say?

**Mr. Lupusella:** No. You can give me your own figures for 1983 about the number of appeals and why people are appealing. Do you have that type of information?

**Mr. Warrington:** Yes, I do. Do you want it now, sir?

**Mr. Lupusella:** I can continue with my presentation in the meantime.

**Mr. Chairman:** He has it now. Do you want it or would you prefer to put all your concerns on the table at one time?

**Mr. Lupusella:** Are you going to reply or are you going to give me the statistical data?

**Mr. Warrington:** I can, sir. At the appeal board level—

**Mr. Lupusella:** You are persistent. Okay.

**Mr. Warrington:** At the appeal board level—

**Mr. Haggerty:** Mr. Chairman, I want to draw to your attention now that if you open the door to questions and answers I may want to get into this.

**Mr. Lupusella:** Okay.

**Mr. Chairman:** That is a good point. Probably we had better stick to what we are accustomed to.

**Mr. Laughren:** We have to leave time for the committee to visit all the dangerous work sites.

**Hon. Mr. Alexander:** Am I invited too?

**Mr. Laughren:** Especially you; you are leading the way.

**Hon. Mr. Alexander:** I used to work in a steel company. It would be good to go back and see how it has improved.

**Mr. Laughren:** Yes.

**Mr. Lupusella:** This is my first point about the annual report. Mr. Chairman, if I may, before I start my opening statement, I would like to go back a little bit to some of the points I raised last year to find out what kind of action has been taken about concerns that have been raised by my colleague Mr. Laughren and by me in relation to issues affecting injured workers across Ontario.

Last year you mentioned you were proud to indicate that reorganization of the claims services division in progress in 1982 was designed to speed up the claims adjudication process, thereby advancing the delivery of services to injured workers. You stressed that concept in your opening statement this year as well. In going back into the content of the annual report I did not notice any improvement in this area. I do not want to get into specifics, but I think I have to contradict the statistical data provided by your annual report.

On page 9 of the 1983 annual report you mention that the claims response time in 1981 was 95.3 per cent. Correct me if I am wrong, but that is the way I interpret it in this graphic table.

**Hon. Mr. Alexander:** It was higher in 1982.

**Mr. Lupusella:** In 95.3 per cent of cases the claim was instituted within three days; am I correct?

**Hon. Mr. Alexander:** That is in 1981. You will see there is an improvement in 1982 and a further improvement in 1983.

**Mr. Lupusella:** I do not have any problem about the institution of the claims.

**Hon. Mr. Alexander:** That is the one you are looking at.



**Mr. Lupusella:** The problem I have is with the number of days after which the claims have been paid. I think you have a percentage underneath the number of claims paid within four or five days.

**Hon. Mr. Alexander:** Three, four and five days.

**Mr. Lupusella:** I have to disagree with you about that. I think there is a problem. I realize the institution of the claim takes place, most of the time, in three, four or even seven days; by that time the claim number is received by the injured worker. The problem I have is in regard to the payment the injured worker receives. In my own estimates I calculate it is in the range of three or four weeks.

**Hon. Mr. Alexander:** On that point, we have Mr. John McDonald here, the executive director of claims. I certainly want to point out to you that we are not trying to enhance our image by bringing about a greater picture. I think this report has been presented with integrity and honesty. All I can say is that the charts and figures speak for themselves. Mr. McDonald will be able to assist us in that.

**Mr. Lupusella:** I am giving you credit you deserve. I do not have any problem about the institution of the claim number. I give you the credit for the three, four or five days, even a week.

**Hon. Mr. Alexander:** Let us see what Mr. McDonald has to say.

**Mr. Lupusella:** The payment has nothing to do with the five days, even though you are claiming the payments are made.

**Hon. Mr. Alexander:** If you look at the chart, we say that in 1981—and you can see it at the very top—95.3 per cent in 1981 were paid within three days. In 1982 that figure jumped up to 95.7 per cent; so there has been progress. In 1983 there is still further progress to 96.1 per cent. You question that?

**Mr. Lupusella:** I am questioning it because I am giving you the injured workers' perspective, which is not my perspective but is just for the sake of criticism.

**Hon. Mr. Alexander:** We appreciate that, sir. Mr. McDonald, will you try to assist us in this regard?

**Mr. McDonald:** I have made a note of the question, sir. I will respond when Mr. Lupusella has completed his statement.

**Hon. Mr. Alexander:** All right.

**Mr. Lupusella:** Then we get into the area of claims instituted on a doctor's first report. This may mean there is a delay coming from the employer's side. The injured worker has gone to see the family doctor and, therefore, the board is notified of the injured worker's accident by the family physician.

In 1981, we see that 44.4 per cent of injured workers whose claims were instituted by the family doctor's first report were paid in 10 days. Am I interpreting that correctly?

**Hon. Mr. Alexander:** Exactly, sir. You see the dramatic increase since 1981, when there was only 44.4 per cent. The improvement was dramatic, I respectfully state, because we are now up to 92.9 per cent in 1983. That speaks for itself even if you do raise some concern about whether it is truthful, according to your constituents.

**Mr. Lupusella:** It must reflect the real life of injured workers who are involved in this type of situation where the family physician is notifying the board about the accident. You have 99.4 per cent of injured workers being paid in 30 days.

**Hon. Mr. Alexander:** That is also an increase from 1981 in terms of immediate service.

**Mr. Lupusella:** If you follow the graphics on this page, you might be satisfied about the improvement in progress that has been made.

**Hon. Mr. Alexander:** We are never satisfied, sir. We always want to do better.

**Mr. Lupusella:** Of course; that is the main goal. I am speaking on behalf of injured workers who have a payment coming later than 30 days. You say 99.4 per cent of injured workers are paid in 30 days.

If you analyse the 99.4 per cent of injured workers who fall into this particular category, where their accident is reported by their doctor's first report, they might end up having a complicated claim.

**Hon. Mr. Alexander:** That is a point well taken, sir.

**Mr. Lupusella:** In most of the cases the employer may have refused to send the notice of accident report. The majority of the injured workers falling into this category—I am talking about the 99.4 per cent—might get included in the graphic of complicated claims, because the board, to satisfy itself, is going to initiate an investigation. You would no longer be talking about 30 days.

**Mr. McDonald:** That is the next chart.

**Hon. Mr. Alexander:** We are down to the complicated claims now.



10:40 a.m.

**Mr. Lupusella:** I have another criticism about them.

I am trying to tell you that these graphics do not reflect what is going on among injured workers in general.

**Hon. Mr. Alexander:** I hope they do, but we will hear your ideas.

**Mr. Lupusella:** I will give you my own reasons. You might react to my different explanations. In the area of complicated claims, you are talking about 35.1 per cent of injured workers being paid in 10 days, 62.2 per cent being paid in 20 days and 76.9 per cent, which leaves 23.1 per cent, being paid in 30 days.

**Hon. Mr. Alexander:** It is a marked improvement.

**Mr. Lupusella:** But I do not see any difference between those instituted on the doctor's first report and the complicated claims, because the previous figures might all fall into the complicated claims category. First, it might be because the investigation would take place.

The latest example I have—again, I will not mention claim numbers or the names of people at the board—is about an accident reported by an injured worker to a family physician on October 16, 1984. A medical report was sent to the board. In four or five days the claimant got the claim number, and as of January 22, 1985, when I got involved in this case, the injured worker had not heard from the board.

**Hon. Mr. Alexander:** I can say you could—

**Mr. Lupusella:** Again, it is not an isolated case. I can give you details but that will not solve the problem. If I give you the claim number and name, and you take action to speed up the process, it will not help the situation of so many injured workers affected by the same procedures.

The funniest story is that when I got involved with the board's officials and reported this type of delay, they said, "Okay, we will make sure the file comes to our desk and see what the problem is." They admitted the recent delay and set up an investigation when those officials had an opportunity to look at the file, and maybe in it was a recommendation that an investigation was supposed to take place. We are talking about a time span from October 16, 1984, to January 23, 1985.

I guess the investigation has been carried out. I received notification that the investigator has not been in touch with the claimant yet. I am sure before that happens the investigator has to go and talk to the employer, the witnesses and every-

thing. The claimant will be the last person contacted, and then there will be the collection of all medical reports from doctors, specialists and so on.

The investigation usually ends after one month. Then the file has to go to the claims adjudicator for a decision. If the opinion of the adjudicator is against the injured worker, the issue has to go to the claims review branch for a final deliberation at the lower level of the appeal system.

We are talking about four or five months to give the injured worker an opportunity to launch an appeal before the claims review branch, and if that branch turns down the claim then we get into the situation of an appeal adjudicator's hearing and we are talking about another four months. We are talking about another seven months until the decision is rendered.

It takes almost one year, in a complicated case like this, simply to get a reply from the board; and this man does not have any option but to apply for welfare, family benefits or unemployment insurance. It is as simple as that.

The delay in the decision-making process concerning injured workers is real and exists; the issue of delay has been raised many times in other years by members of this committee. You are talking about an improvement. I know you are sincere, but the problems are there and we want action on them.

Injured workers are driven to frustration. Some might end up saying: "I do not want to deal with the board. I am receiving unemployment insurance, family benefits or welfare. When I feel better, I will go back to work." If this is the intent of the board, action is needed to remedy this serious problem affecting the socioeconomic wellbeing of the injured worker.

We raise this issue every year. I am going to present to you and to officials of the board all the speeches we made on a yearly basis before the board appeared before the committee. I am getting sick and tired of raising the same issues all over again. With the greatest respect, I concur with the criticism raised by my friend from the Liberal Party. The problem is there; it is not an isolated case.

I will give you another example of how branches of the board are operating. Let us get to the medical branch, which is the simplest one to deal with. They deal with payments for medicine for injured workers. I know they are providing a good service to the pharmacists.

When an injured worker goes to visit the family physician, there is a prescription for pills.

medicine and so on. No one from the pharmacists has got in touch with my office saying pharmacists were completely frustrated because the board was not paying them their bills. I am sure it is a simple process to analyse the content of the prescription and pay immediately.

However, when we get to the issue of allowances, which are paid by the same department, with different opinions expressed by the pension department as to whether the injured worker was wearing a brace or something else, then I notice another delay.

The latest case brought to my attention involves an injured worker, a Portuguese, who came to my office and showed me a letter from the board's medical department, signed by Mrs. So-and-so.

The letter was dated May 16, 1984, and said: "We received your letter. You will get a reply as soon as possible." The message was clear, short and signed, but two weeks ago the man was still waiting.

I was in my constituency office. I called the medical branch. First, you do not find the people who sign the letters. They are out or at meetings or they will be back in two weeks' time; which perhaps means they are on vacation, I do not know.

Maybe you talk to someone who says, "I do not know anything about it." What is his job description? Is it just to answer this type of letter, to acknowledge the injured worker's letter and send out a letter saying a reply will be sent to the worker as soon as possible, but he knows nothing else about the operation of that department?

**10:50 a.m.**

If you try to elaborate on issues about other people who are supposed to take decisions on the claim, they know nothing. Their job classification is just to answer the phone and give an immediate answer to any letter getting to the department.

I am not going to speak to high officials of the board because I do not need special treatment. I want to make sure that when an injured worker applies to the board for any kind of benefit he will get the benefit. They should not need a politician and I do not need to be bothered by injured workers. I want their rights to be delivered quickly and efficiently, as soon as possible, with no political interference. I have nothing to gain.

If a client or injured worker or somebody else comes to my office and brings a problem to my attention, I do not have to meet the person to make sure the service is delivered.

**Hon. Mr. Alexander:** Rest assured, sir, that I want what you want. We are trying our best to move in that direction.

**Mr. Lupusella:** They do not do me any favour. It is extra work for me. I do not think it is fair to me and I do not think it is fair to injured workers. They have a right to receive this type of benefit. They are not claiming something from a charitable institution where the issue has to be analysed and they have to be interviewed and be told, "I feel good today so I am going to give you something."

The Workers' Compensation Act is obscure but in some ways it is clear. Either you have a right or you do not have a right. If you do not have a right, you get a reply from the board and there are ways to appeal its decision.

There is no justification for an injured worker having to fight even to get an answer from the board. The delay issue is a real issue that has been persistent with the board, perhaps since it was born. Something has gone wrong in each department. I do not know what the problem is. I do not know whether I am the blackfly with the board's people.

**Hon. Mr. Alexander:** Never think that.

**Mr. Lupusella:** I really do not know. I get the impression—

**Mr. Gillies:** Maybe something else, but not a blackfly.

Interjections.

**Hon. Mr. Alexander:** We shall not pursue that any further. Get to your point, sir, which I think I know.

**Mr. Lupusella:** You notice my comment made no reference to something others have interpreted.

**Hon. Mr. Alexander:** Oh, no, sir; carry on in your usual articulate style. Do not worry about that little intervention.

**Mr. Lupusella:** Let me substitute the word "special" for "black."

**Hon. Mr. Alexander:** Do not be so sensitive, because I am not.

**Mr. Lupusella:** They are making me sensitive.

**Hon. Mr. Alexander:** Do not be sensitive and do not listen to them. Carry on; I want to hear what you have to say. I know what you are saying. I am not making light of it.

**Mr. Lupusella:** It is a real issue. It was on May 16, 1984. Two weeks ago I was able to trace the person who was supposed to deliver the decision about the clothing allowance. That



person was, of course, so apologetic. I said: "How is it possible? We are talking about May 16, 1984, and we are close to May 1985. This letter has been sitting on your desk for one year. What has happened?" He said, "It is a little complicated."

I said: "I do not see any complication in this claim. This injured worker is receiving two pensions and the injured worker reported the two claim numbers in the letter. Either this injured worker has a right to a clothing allowance and is entitled to a clothing allowance or he is not."

He said, "Yes, but as you know, there is a new claim number that was instituted recently and I think now we are in the process of reviewing the content of the new claim number before a decision is rendered."

That is why I do not understand the mentality of the people down there—I am sorry, but I do not—if they are experts in the work they are doing.

Clothing allowance is paid to an injured worker when a permanent disability award has been granted to him and he is wearing a brace. The new claim number was a new claim number. The injured worker was paid full compensation. There was no indication that the injured worker would be called for a pension assessment in order for the pension to be given. I do not understand this type of mentality or the explanation. They do not know what is going on. With the two claim numbers provided by the injured worker, who is receiving a permanent disability award, the decision could have been made whether he was entitled to a clothing allowance, period.

This goes on and on. You might say: "Give me the claim numbers. She is taking action on this claim. You did not go to high board officials." I want to know how the different departments operate because, instead of me, it could be the injured worker placing the phone call. I do not need, as I stated, special treatment. The man was suffering from May 16.

**Hon. Mr. Alexander:** I do not want to detract from your excellent presentation, but I wish you would not use the term "special treatment." You put me in a bind by indicating that MPPs get special treatment. I do not want anybody to think you are getting special treatment because you are an MPP. I think all people who approach the board about their concerns and the issues in which they are involved should get the best treatment, regardless of whether they are injured workers, injured workers' representatives, MPs or MPPs. So, with respect, sir, I wish you would not use the word "special."

**Mr. Lupusella:** I will not use the word again because you are quite sensitive, as I became sensitive on your thinking.

**Hon. Mr. Alexander:** I just want to clear the air. I would not want to think the chairman, as a former MP and a Minister of Labour, was giving special treatment to MPPs. I would say he gives treatment.

**Mr. Lupusella:** This is another innuendo. My mind was quite far away from thinking that.

**Mr. Haggerty:** I could write the letter to myself if I know what the answer is.

**Hon. Mr. Alexander:** Not all the time, Ray.

**Mr. Lupusella:** By the way, you will be receiving a few letters about the delay issue because I am getting sick and tired—

**Mr. Gillies:** Now you are asking for special treatment.

**Mr. Lupusella:** There is a limit of tolerance. My technological background taught me that material has resistance to a certain extent and after that there is a breaking point. The reason I am taking this action is that I need the action to resolve the general issue of delay, period.

**Hon. Mr. Alexander:** That is right and that is the bottom line.

**Mr. Lupusella:** That is it. I think people employed in the different departments of the board are even ignoring, not one memo, but several memos coming from counselling specialists. They spend their time reviewing the issue, building the concern of the people, calling the counselling specialists and sending different memos, which are being ignored.

They were not my memos. They were memos written by counselling specialists about issues that were brought to their attention. Yet the delay persisted. We are not talking about a delay of a full week. We are talking about a delay of months, even if the people were notified about the issue by counselling specialists. They are employed by the board, not by my office, and they sent different memos.

You might have good intentions but you may not get this type of criticism down there. I really do not know.

11 a.m.

**Hon. Mr. Alexander:** Yes, I do. I get criticism with respect to delay and I will let you know this. When I hear about delays that are unwarranted, I take a pretty dim view of them and I make sure those who are responsible, whether it is the immediate superior or a



subordinate, know what I think about delays that are unwarranted. I am with you on that.

As I said earlier—and I do not want to detract from your statement—there has been improvement. I know it is not up to your expectations, but please give us a little credit; I think you have.

**Mr. Lupusella:** I am giving you the credit you must be given. I have been trying to be fair.

**Hon. Mr. Alexander:** That is true; no question about it.

**Mr. Lupusella:** I am not trying to exaggerate or give an extra dimension to a problem that is persistent down there.

**Hon. Mr. Alexander:** No question about it.

**Mr. Lupusella:** The other thing you have to realize, with respect, is that we raise this issue every year.

I have to give you credit for the 10 per cent issue.

**Hon. Mr. Alexander:** But every year we are getting better.

**Mr. Lupusella:** Do you remember the 10 per cent issue last year?

**Hon. Mr. Alexander:** Is that a commutation?

**Mr. Lupusella:** People receiving 10 per cent disability awards. I was complaining that they were not receiving supplement pensions. Do you remember?

**Hon. Mr. Alexander:** Vaguely.

**Mr. Lupusella:** We made a big pitch about that last year. Now some people are receiving the supplement pension. So I am not trying to criticize you or the operation of the board unfairly, but we made a pitch last year in a very strong way and maybe you got the message after so many years of criticism on the issue.

**Hon. Mr. Alexander:** We did. We are getting your message today as well.

**Mr. Lupusella:** I am not pleased about the length of time people are receiving the supplement pension with the 10 per cent disability award, but at least now they are receiving the supplement pension. It is three or four months' time, but at least there is a sign of goodwill that the board may be changing direction or policy.

Perhaps previously it was implementing the policy in the way I interpreted last year. Because the disability award was too low, no supplement pension was given to injured workers. Now wherever I go—and I am not talking about my riding per se—if I meet injured workers, the first question I ask is, "What kind of benefits are you receiving from the board?" "Oh, I am on pension." I ask, "How much disability pension?"

"Ten per cent." "Are you looking for a job?" "Yes." "Are you receiving a supplement pension?" "Yes."

At least there is some indication that maybe the policy of the board has been reversed or interpreted differently. The length of time is another story, and I am going to get into that. But at least there is a sign of goodwill after strong criticism, which was raised last year by me, the member for Nickel Belt (Mr. Laughren) and other members.

I have to congratulate you for the action that has been taken, but you have to give me the benefit of the doubt about these types of problems because they are real, they exist, and if you do not place any control on it they are going to get out of proportion.

I have been talking about the services and the delivery of services to injured workers. With respect, I have to counteract the figures provided to us in the annual report of 1983 because there is a serious problem affecting injured workers in that respect.

In time the figure may be 20 per cent or 25 per cent of injured workers; I cannot give it to you exactly. You must have the figures there. I disagree with the figures, but you must have the analysis of the figures on how long after a claim has been instituted people are paid by the board. I do not have these figures. I can bring cases to your attention to demonstrate that I disagree with the figures provided in the 1983 report.

Last year you were talking about payments and the delivery of services to injured workers. I think the problem is still there. Last year your officials, and you yourself in your opening remarks, mentioned the replacement of the existing Centrex system with a state-of-the-art SL-1 electronic PBX system for the entire head office. This type of replacement has been made with the scope and goal of delivering services to injured workers in a faster way.

From doing my own research, I have found there are departments in which you can easily go through the system without any problem, but there are other departments in which you have to wait until an operator is available. I am not talking about one minute's time. I am talking from my own experience.

Instead of going to top officials to bring my concerns to them, I went down to find out how the system works. I noticed deficiencies. People are placed on hold and the time framework is too long. The pension department was the worst to go through. I do not know where people are going in the pension department.

I have been trying to contact an individual from the pension department for at least two weeks. He is either at a meeting or he is not at his desk. It has been two weeks and I still have not talked to him. I called on Friday and was told: "He is gone for today. He will be back on Monday." When you call on Monday he is not at his desk.

**Hon. Mr. Alexander:** I do not like that, sir.

**Mr. Lupusella:** Do you have regular meetings during work hours in the department or what? I really do not know.

**Mr. McDonald:** Yes, that can occur, sir.

**Mr. Lupusella:** How many meetings every week?

**Mr. McDonald:** It depends on where you are located and what your function is; but people can go to meetings on a weekly basis, yes, sir.

**Mr. Lupusella:** What kind of meetings? Give me an example.

**Mr. McDonald:** I have a meeting every Monday morning with all my directors.

**Mr. Lupusella:** That is different.

**Mr. McDonald:** No, sir. The information that is communicated to my directors has to be distributed to the staff. You do that through meetings, sir.

**Mr. Lupusella:** I think you have to reorganize this type of system. If I am working in a particular department to deliver a specific service, I must be there to be accountable to my work.

**Mr. McDonald:** No question.

**Mr. Lupusella:** If you establish this type of system, which is an electronic PBX system to make sure that injured workers across the province have better access to the service delivered by the board, I am expecting better organization of the kind you are just mentioning. You can have meetings but I think you can isolate the meetings from the kind of work they are supposed to deliver.

**Mr. McDonald:** If the pensions adjudicator is interviewing an injured worker, would you ask me to interrupt him so you can talk to him?

**Mr. Lupusella:** Are these the kinds of meetings you are talking about?

**Mr. McDonald:** Quite often on a daily basis—

**Mr. Lupusella:** You are talking about interviews. An interview is an interview, with respect.

**Mr. McDonald:** Do you want the answer, Mr. Lupusella?

**Mr. Lupusella:** I am talking about a meeting. There is a difference.

**Mr. McDonald:** That is correct, sir, there is a difference.

**Mr. Lupusella:** Where do they go—for interviews or for meetings?

**Mr. McDonald:** Both.

**Mr. Lupusella:** Both. Okay, so there is another dimension now. They are in meetings and in interviews. I can understand the interviews; I still do not yet understand the meetings. What kind of meetings do you have?

**Mr. McDonald:** Mr. Lupusella, if you have a complaint about the telephone system, we like to make sure that the adjudicators respond to your telephone calls. You bring a complaint to me—

**Mr. Lupusella:** I do not bring the complaint to you. If I am an injured worker, I do not come to you.

**Mr. Chairman:** Mr. Lupusella, you asked the question, I think it is fair to get an answer.

**Mr. Lupusella:** I hate this kind of approach, Mr. Chairman.

**Mr. Chairman:** No, you have asked a question. You are putting the gentleman on the spot and Mr. McDonald is trying to respond to the question.

**11:10 a.m.**

**Mr. Lupusella:** Okay, my simple question is, what kind of meetings do you have that differ from interviews? I know what kind of interviews—

**Hon. Mr. Alexander:** Mr. Lupusella, I understand your concerns here, but surely you must appreciate the fact that having a board, with the number of people we have involved in trying to administer the act, calls for meetings every day. Every month we have people coming in from our area offices. I go to meetings and my executive assistant, Louisa Giacometti, goes to them. It is an ongoing process to see that everybody at the board knows what is going on and what his colleagues are doing.

Surely you are not saying we should not have meetings. I know you are not saying that, but I think your bottom line is—

**Mr. Lupusella:** I have reservations about these types of meetings. That is why I want to know what kind they are.

**Hon. Mr. Alexander:** I have given you some indication about what I think the problem is.

**Mr. Lupusella:** I think you attend meetings.

**Hon. Mr. Alexander:** Yes.

**Mr. Lupusella:** I can understand that.

**Hon. Mr. Alexander:** They are all information meetings, to bring the staff at the board up to date with respect to what executive directors have passed in terms of new resolutions and policies, bringing one another up to date. I think the bottom line is, sir—and I agree with you—I resent hearing that after two weeks of trying you cannot get hold of somebody, him or her. That is the issue here.

**Mr. Lupusella:** That is right.

**Hon. Mr. Alexander:** I have no hesitation or equivocation in telling you that is not the kind of service to which anyone is entitled—the injured worker, the employer, the appealing agency.

**Mr. Lupusella:** It is contrary to the principle of your statement, which concerned improving the system and delivering better service to the injured worker.

**Hon. Mr. Alexander:** You have indicated there has been improvement. I will not use the word “marked” because that would be taking advantage of you, but I think there has been marked improvement. The bottom line is that if anyone at that board evades you for any reason whatsoever for two weeks, that is totally wrong and unacceptable to me. My feelings in that regard have been passed on to my colleagues to indicate I want fast, efficient, effective service.

**Mr. Lupusella:** That is the main goal. That is why you are changing the system.

**Hon. Mr. Alexander:** That is my philosophy. Hopefully, I think it has rubbed off on a number of the divisions and a number of my colleagues. You are right. For you to sit back and wait for two weeks—I will not even ask whether you left your number because I am sure you did—is too long. You have made your point very dramatically.

**Mr. Lupusella:** I can understand the difference between interviews with the pension department and meetings, and I know when an injured worker is going for a pension assessment, the assessor talks with injured workers. There is no doubt about it; it is part of the job classification.

**Hon. Mr. Alexander:** But the bottom line is, sir, someone should have got back to you.

**Mr. Lupusella:** I do not understand the issue of meetings. I have reservations accepting the principle of meetings when the job there is delivering service.

**Hon. Mr. Alexander:** That is right.

**Mr. Lupusella:** Okay.

**Hon. Mr. Alexander:** Your point is well taken, sir, and I hope I have made you feel a little more comfortable because my philosophy is the same as yours in this regard.

**Mr. Lupusella:** We were talking about last year, Mr. Chairman. I was making statements about the organization of the claims service division, which was designed to speed up the adjudication process, and progress in 1982. I am returning to the issue today because the problem has been raised again this year. The delay issue is affecting the whole operation of the claim for the injured worker, starting from the accident report and appeals.

**Hon. Mr. Alexander:** I hope not.

**Mr. Lupusella:** I think my friend from the Liberal Party was complaining about delays in the appeal system, and we are getting into the area of adjudication and appeal board hearings. These are the same complaints that were brought to your attention last year. I do not want to read it from Hansard, but they are the same.

**Hon. Mr. Alexander:** Please read it again because I want to be reminded.

**Mr. Lupusella:** They are the same.

**Hon. Mr. Alexander:** My job is to see to it that your expectations are met. I want you to repeat it. I said there has been improvement. Read what you said last year.

**Mr. Lupusella:** Last year I made a personal survey on the operation of the answers that are given at the lower level of the board. I made the same survey this year. I got in touch several times with claims, the rehabilitation and the medical aid departments. It is the same criticism. If you do not believe me or you think I am exaggerating the symptoms of the problems, I can provide you with the names of the people affected by this type of problem. However, you do not want names and I do not want to mention them.

**Hon. Mr. Alexander:** I will take names.

**Mr. Lupusella:** I do not want to give names. Last year I praised a counselling specialist, Margaret Jones. This year I had cases where memos were sent by her to different departments. They are ignoring her memos and I do not know why. She is a very dedicated person who understands the whole operation of the board. You can talk about any issue and she understands what is going on.

**Hon. Mr. Alexander:** I think I know the person about whom you are speaking and she is good.



**Mr. Lupusella:** People from the departments are ignoring the memos. The delay persists for months. She is surprised herself.

Last year I talked about the delay that has taken place for an appeals adjudicator hearing or an appeal board hearing. From the time you initiate action on a specific claim until you get to the maximum appeal system, you are talking about almost a one-year delay if all the decisions have been against the injured worker. Last year I mentioned seven months. However, if there are problems and there are complicated claims such as the one I just mentioned, and if an injured worker receives adverse decisions from everybody, you are talking about one year until it gets through an appeal board hearing.

Last year I mentioned we had noticed a considerable delay in the adjudication system and the appeal system. Before then, the board heard cases in two or three months; now we have to wait more than seven months. You rejected that criticism in your opening statement because you mentioned you were trying to do your best to deliver service to injured workers. I want to reiterate that, if you get to the area of complicated claims, from the very beginning until a board hearing takes place you are talking about a one-year delay, not seven months.

**11:20 a.m.**

On March 6, 1984, we became aware of a 1981 survey of pensioners conducted by the board as a sample. From that survey we said there were 80,000 injured workers receiving Workers' Compensation Board pension benefits in 1981. Three thousand people were over 65 years of age and 20,000 were unemployed, of whom 10,000 were receiving Canada pension plan disability benefits.

The survey meant that of 80,000 pensioners 30,000 people were working. The figures were accurate. Ten thousand of 40,000 potentially employable injured workers were unemployed, a rate of 25 per cent. I think the reason I raised this comment was to attack the rehabilitation department, but at least I praised a change of policy coming from the board in relation to the principle of rehabilitation.

At that time, with a 10 per cent disability award, the WCB was reluctant to open rehabilitation files for injured workers. I do not know why. Maybe it was because the policy was imposed in a very strict way, the percentage of disability was too low and the injured worker had an opportunity to go and look for a light job. I do not think the board, within the meaning of 10 per cent, was categorizing injured workers with 10 per cent

disability pensions as those who should go and look for light jobs.

Based on this new approach used by the board, I am sure new claims have been reopened on behalf of injured workers to be rehabilitated, as a result of what I would call this change of approach. I do not think it was a change of policy. I think the board became more sensitive about the issue and has been more inclined to help to rehabilitate injured workers receiving a pension in the range of 10 per cent or even less. Before, the board was using the stringent approach and people were not even receiving rehabilitation assistance with a 10 per cent disability award.

If we want to correlate the figures from 1982 to 1983, the rehabilitation department became more active in relation to claims that had been reopened. The increase must be attributed to that because you mentioned that in 1983 the number of injuries had decreased by 15 per cent.

**Hon. Mr. Alexander:** I do not think it was that much; I cannot recall.

**Mr. Lupusella:** I am sorry; seven per cent.

**Hon. Mr. Alexander:** Yes, I think it is seven. Five or seven per cent from 1982.

**Mr. Lupusella:** I think the role of the rehabilitation department is becoming increasingly demanding because of the number of injured workers who are supposed to be served. The volume of files within the same department must be more pressing. My friend Floyd is going to talk about the issue of rehabilitation per se.

The reason I praised the rehabilitation department on its new approach—

**Hon. Mr. Alexander:** I want to thank you for that.

**Mr. Lupusella:** I will give you my own explanation.

**Mr. Laughren:** He is undermining his own colleague, that is what he is doing.

**Hon. Mr. Alexander:** I hope not, sir. I hope you are both sitting in the same party with the same views.

**Mr. Lupusella:** I am just tackling one aspect of rehabilitation.

**Hon. Mr. Alexander:** We appreciate your comments.

**Mr. Lupusella:** Last year, if you will remember, we were really pinning the issue.

**Hon. Mr. Alexander:** You were after the old chairman last year.

**Mr. Lupusella:** We were really pinning the issue, and the rehabilitation—

**Mr. Laughren:** We appreciate your comments, too.

**Hon. Mr. Alexander:** I am glad we have improved to your satisfaction at this point. All I can say is we are going to continue—

**Mr. Lupusella:** Not yet.

**Hon. Mr. Alexander:** No, I have to finish. We are going to do even better.

**Mr. Lupusella:** I will demonstrate the extent of my satisfaction in a moment.

**Hon. Mr. Alexander:** Sir, be my guest. I am here to listen and to try to get some expert advice on how we should administer the act. I am not being funny about that either.

**Mr. Lupusella:** Mr. Chairman, last year, if you will recall, the rehabilitation counsellors were playing an important role in the establishment of supplement pensions for injured workers. I am not talking only about injured workers receiving a level of pension in the range of 10 per cent; I am going from below 10 per cent and even higher than that.

**Mr. Laughren:** Do you even include somebody with a broken back who has 30 per cent? That is all they can get.

**Mr. Lupusella:** No; at 30 per cent they used to receive a supplement pension to a certain extent.

**Mr. Chairman:** Perhaps you can carry on this conversation at another place and time.

**Mr. Lupusella:** That is the meat chart.

**Mr. Laughren:** Yes; that is the meat chart.

**Mr. Lupusella:** Yes; we have to talk about the meat chart.

**Mr. Laughren:** Which they still worship, of course.

**Mr. Lupusella:** Let us use nice words—the clinical rating system.

**Mr. Laughren:** Yes; they genuflect before the meat chart.

**Mr. Lupusella:** Because the counsellors are providing this type of rehabilitation to injured workers, they send memos on the content of interviews with injured workers, on whether or not they are co-operating with them and whether or not they are making a sincere effort to look for light jobs. This means that the pension department is now responding favourably in assessing supplement pensions on behalf of injured workers. I am praising the rehabilitation department because of this approach to the pension department in order that the supplement pension will be granted.

I also notice there has been a change of the counsellors' attitudes towards the injured workers themselves. They are explaining the law and they are explaining what their role is all about, an approach that was never used in the past.

I used to be very critical. An injured worker was able to provide my office with the contents of an interview with a rehabilitation counsellor, and I was very critical of the approach and so on. I notice a change of attitude and I know that injured workers are better informed about the role of rehabilitation counsellors now than they were before.

One thing that is lamentable is that they are still advising injured workers to apply for the Canada pension plan, and that is something that is unacceptable to me. Maybe they are placing the information in the wrong perspective. Instead of explaining to injured workers that they have an option to apply for CPP as well, perhaps they give them a direct message to apply for CPP; there is a difference in the approach.

The injured worker then has to make up his or her mind when he or she is placed in this type of situation: "I am going to provide you rehabilitation, but there is a law at the federal level that gives you an opportunity to apply for CPP if you fall within the principle of the Canada Pension Plan Act."

I am trying to elaborate on this issue because I think the approach used by the rehabilitation officers is misleading to a certain extent. If the message to the injured workers is that they have to apply for Canada pension plan, you know very well—you have been a federal member of Parliament—that you have to fall within the principles of the act as well. This means, first, you must be totally disabled and, second, you must have six consecutive years within the last 10-year term from the time you are applying for CPP.

**11:30 a.m.**

It does not make any sense to give this type of information to injured workers who do not even fall within the principle of the CPP issue. Maybe they have been out of work for more than five years; therefore, if they apply for CPP, they are not entitled to it.

They must also be aware that if they are receiving a 10 per cent disability award from the Workers' Compensation Board, their application for CPP is eventually going to be rejected because one principle of the law within the Canada Pension Plan Act is that you must be 100 per cent disabled.



Unless they have other restrictions and other problems, of which I am sure the rehabilitation counsellor is not aware, I do not think it is fair to portray the message to injured workers to apply for CPP, because if they eventually do apply they will not be entitled to it. It will impose a restriction on their file and will exclude them from the rehabilitation process and from the supplement pension. I do not think it is a fair game. It is a simple as that.

You give me the option. If I do not know the law, I respect the suggestions and recommendations coming from the rehabilitation officers.

**Hon. Mr. Alexander:** That is not the position we took, sir. It is an option they have. Could you clarify that?

**Mr. Lupusella:** You know very well that when people apply for CPP they are no longer eligible for rehabilitation assistance because they are imposing extra restrictions on the limitation of the work they are able to perform in the labour market. In addition, they sign an application in which they state they consider themselves to be totally disabled. You have to demonstrate that.

**Hon. Mr. Alexander:** We will discuss that, sir, when you are through.

**Mr. Lupusella:** I am giving you the pros and cons. There was an improvement in the approach. There was an improvement in the attitude of counsellors in terms of them becoming more humane in their approach, if I can use those words.

**Hon. Mr. Alexander:** Those are my words, sir: humanize the board.

**Mr. Lupusella:** Maybe I am exaggerating, but in 1982 this type of feeling did not even exist among the total population of rehabilitation counsellors.

I have been trying to be fair in the credits and the criticisms, Mr. Chairman.

**Hon. Mr. Alexander:** Oh, you are being very fair, sir.

**Mr. Lupusella:** I hope I will see some type of improvement on that matter.

**Hon. Mr. Alexander:** As a former member of Parliament, I can appreciate what you are saying and how you are doing it. You could sit there all morning and criticize, but you have given us credit where we have met your expectations. Every now and again Floyd does the same thing, but very reluctantly.

**Mr. Lupusella:** Floyd has a supplementary in the meantime.

**Mr. Laughren:** When I compliment the board for doing something well, they immediately slacken off and services deteriorate again in the very area in which I have complimented you.

**Hon. Mr. Alexander:** Sir, that is not the case; that is not so.

**Mr. Laughren:** Do you see how difficult it is for members of the Legislature to make constructive criticism of the board when that happens?

**Hon. Mr. Alexander:** I understand. I hope that when we have made improvements we are not sliding back.

**Mr. Laughren:** I know. I do not doubt for a minute that you hope that.

**Hon. Mr. Alexander:** I hope that does not happen. I think you should keep on progressing. Are we at a recess now? Is that the idea?

**The Acting Chairman (Mr. McLean):** No. He had a supplementary and I guess he has completed it.

**Mr. Laughren:** Well, I do not believe Mr. Lupusella had even made his opening remarks yet.

**Hon. Mr. Alexander:** He has not given his opening statement yet.

**Mr. Gillies:** He has not really hit his stride yet.

**Hon. Mr. Alexander:** No, but he has some very good points and we are going to get to all of them, if possible, in the time frame we have. I have been marking them all down, I know my colleagues are marking them down, and I know you are not finished.

**Mr. Lupusella:** Again, Mr. Chairman, my friend Floyd will have some harsh criticisms.

**Mr. Laughren:** No. I will say the positive things. You go ahead and attack.

**Mr. Lupusella:** I plan to do that.

**Hon. Mr. Alexander:** You chaps really do not know how much I enjoy being here. It just reminds me of the fond days—but carry on, sir.

**Mr. Laughren:** No, I really do not know how much you enjoy being here.

**Hon. Mr. Alexander:** I really do.

**Mr. Laughren:** Do you?

**Hon. Mr. Alexander:** I really enjoy this because it is a learning process and I think we get a lot of ideas from you with respect to how to administer the board. I can see, and I say it with a great deal of respect, the posturing that is going on, the righteous indignation and the bombastic rhetoric. I am just saying that lightly, because I used to do that and I used to love being in—



**Mr. Laughren:** Really? You never admitted it at the time.

**Hon. Mr. Alexander:** Well, sir, that was different. One was always seeking to get into government. I wanted to show my stuff in government.

**Mr. Lupusella:** Keeping up with your commitments given to members of this Legislature, on March 7, 1984, I raised the issue about a memo that was supposed to be sent to the claims department, or to other people involved in dealing with individual claims, in relation to the issue of the WCB sending money to employers when employers have private plans covering injured workers.

I brought to your attention one case in which the money the injured worker was supposed to receive was sent to the employer because the employer had paid the employee through a private plan. At the end of the year, of course, she paid income tax. If she had received the money from the WCB, she was not supposed to pay income tax. That injured worker and others are not supposed to pay income tax.

**Hon. Mr. Alexander:** As you know, and my colleagues will correct me in this respect, there was a problem with regard to the income tax department, the injured worker and the board as well. You will know of the recent decision by the Department of National Revenue whereby those types of payments are not going to be taxed over the 75 per cent to which the injured worker is entitled. At one time National Revenue was taxing the whole thing.

As a result of the recent decision—I guess there was a ministerial directive—that has been changed, and I think we are going to have some injured workers contacting us to determine how much money was paid. There is going to be a real windfall, if I can use that expression, for some injured workers as a result of this new National Revenue directive.

**Mr. Lupusella:** This one is a change in the law coming from the federal government. At the time I raised the issue, you gave a commitment to us that you would send a memo to the different departments alerting them about this situation. Did you do that, in spite of the change of the law?

**Hon. Mr. Alexander:** I do not know. I cannot answer that, sir. Mr. Doug Cain is here—

**Mr. Lupusella:** Mr. Van Clieaf answered and he stated, "I will be glad to send such a memo and remind the adjudication staff about this procedure."

**Mr. McDonald:** That was done, sir.

**Mr. Lupusella:** That was done?

**Mr. McDonald:** Yes, sir.

**Mr. Lupusella:** You had better come down and look at the memo.

**Mr. McDonald:** Pardon?

**Mr. Lupusella:** That was just an editorial comment.

**Mr. McDonald:** That information was probably communicated through a meeting, Mr. Lupusella.

**Mr. Lupusella:** Okay. Now I understand the difference between a meeting and an interview.

Interjection.

**Mr. Lupusella:** So actually it was not a memo. You are contradicting yourself.

**Mr. McDonald:** It would be both, sir. It would be in the form of a memorandum, as well as individual advice to the adjudicators at the time of the meeting.

**Mr. Laughren:** Why would you need to do both?

**Mr. McDonald:** To make sure the message is communicated, Mr. Laughren.

**Mr. Laughren:** I see.

11:40 a.m.

**Mr. Lupusella:** Mr. McDonald, I was born in Italy, but I understand the difference between saying, "I did it by sending out a memo" and saying, "I did it when a meeting took place." Either you did it in the form of a memo or you alerted people when a meeting was called. You are stating that you did both.

**Mr. Gillies:** Mr. McDonald has said he did both.

**Mr. Lupusella:** Going back to the issue of the 10 per cent, I am sure that would be a 10 per cent permanent pension.

It would be helpful to members of the Legislature to have statistical data in the annual report as to what is going on with pension supplements in that department, how many people have pension supplements and so on.

**Hon. Mr. Alexander:** Would you be prepared to write to me, if it is not too much trouble, indicating what you would like to see with respect to that type of thing? I am a little confused. Perhaps my colleagues are not, but I want to make sure we know what you are talking about.

**Mr. Lupusella:** It is not too much trouble to write you a letter. However, I think you are already doing part of the job by providing figures

and percentages about claims for injuries and the adjudication of claims, even though we disagree on the length of time. You could do the same thing about what is going on in the pension department.

We would like to know the percentage of disabilities given to injured workers and how many people receive the pension supplement. It is that type of statistical data we require.

**Hon. Mr. Alexander:** We will certainly look into that.

**Mr. Laughren:** Mr. Lupusella was talking earlier about difficulty in phoning. What is going on with the board and its phone services? Somebody told me this year or last year that the board spent a lot of money on a new telephone service.

**Hon. Mr. Alexander:** It is the state of the art. Mr. John McDonald is here. Perhaps he can review it for you and let you know what has happened.

There was an expenditure of money; it was to improve the service to injured workers. I hope it is working. As Mr. Lupusella has indicated, some departments are good and some are bad, but I think his concern was to determine the pensions. Mr. McDonald may be able to help you with respect to your question.

**Mr. Laughren:** I add specifically that I understand there are problems with the adjudicators. Are you aware of that being a problem?

**Mr. McDonald:** At present, we have 547 lines coming into the adjudication and administrative services branch. As far as adjudicators are concerned, there are 210 lines. In the pensions area there are 15 separate lines. We are in the process of doing another study on the number of busy signals coming through on those lines in an attempt to address what is seen to be a problem. We feel there are adequate lines.

**Mr. Laughren:** However, you are aware there is a problem.

**Mr. McDonald:** We have been advised some are having difficulty getting into a particular area.

**Mr. Laughren:** Presumably that is why you are doing the study.

**Mr. McDonald:** That is correct.

**Mr. Laughren:** I did not think it was my imagination that there were problems.

**Mr. McDonald:** We have expanded the number of lines. There is a call-forward process so that when an adjudicator leaves his desk, he forwards his calls to another adjudicator.

**Mr. Laughren:** The time we get flak in our constituency office is when there is a question of a pension supplement. There are delays in that whole process because of inadequate phone service to the adjudicators. That is when it gets back to me.

**Mr. McDonald:** If you are talking specifically about pensions adjudicators, we are addressing that at present to find out what seems to be the problem in that area. When a pensions adjudicator is conducting an interview in his office, he will put his line on call-forward to the telephone staff so he is not interrupted during the course of an interview. That creates a busy signal and a referral to the next person. If that is not happening we are trying to establish that, but to do it we have to get a report from Bell relating to the busy signals on those lines. We are in the process of doing that.

**Mr. Laughren:** I hear you speaking like this and I heard you speaking earlier about interviews and so forth. Is there that high a proportion of decisions that involve interviews?

**Mr. McDonald:** Yes. Every individual who has a pension assessment is interviewed.

**Mr. Laughren:** No. Take my constituents as an example. The constituent is sitting up in the Sudbury area somewhere and a decision is being made in Toronto. I do not know why you continually go back to talk about the interviews.

**Mr. McDonald:** The only time a pension rating would be granted without an interview would be if it were a straight scheduled level of disability. If you lose the end of your finger, you know what the disability is; if you lose one eye, you know what the disability is. But in any nonscheduled rating, the man is interviewed. He would be interviewed either in Toronto or in Sudbury. There are regular rating trips to Sudbury, as I am sure you are aware.

**Mr. Laughren:** Right. The adjudicator sitting in the office at 2 Bloor Street East is not interviewing that injured worker necessarily. The interview may have taken place six months ago or it may have taken place—

**Mr. McDonald:** I did not suggest he was in interviews all the time. I said that when he is in an interview, we put it on call-forward. He has a certain number of interviews every day.

**Mr. Laughren:** Right, but what you are doing is throwing your problem back to us when in fact it is the solution we are after, not a reiteration of your problems. If there is a problem getting through to the adjudicators, then it should be



addressed. You should not simply use the excuse that they are always or often in interviews.

**Mr. McDonald:** A good portion of the day is spent in interviews.

**Mr. Laughren:** Then there is something wrong with the system.

**Mr. McDonald:** Would you expect them to make the decision without interviewing the man after he is seen by the doctor?

**Mr. Laughren:** No, of course not. There you go again. You are saying that because your people spend a lot of their time in interviews, we will just have to live with the fact that they cannot be reached. I would not run the system that way.

**Mr. McDonald:** I did not say that at all.

**Mr. Laughren:** That is what you are implying.

**Mr. McDonald:** I do not believe so.

**Mr. Laughren:** What are you saying then?

**Mr. McDonald:** I am suggesting that when he is in an interview, the call is forwarded to someone else, and when he is finished with the interview he will get that call and deal with it.

**Mr. Laughren:** That is assuming it is forwarded to somebody else, who then passes the message back to the adjudicator too. That seems to be the problem.

**Mr. McDonald:** I do not believe so. I think the calls are being forwarded and are being delivered.

**Mr. Laughren:** Why are you doing a study then? You admit there is a problem, right?

**Mr. McDonald:** What I said is that the number of lines in there may have to be increased.

**Mr. Laughren:** Okay. At least that is an admission that there is some kind of problem beyond the fact that the adjudicator is in an interview. You finally admit it. Do not keep saying over and over again: "They are doing interviews. Do you not want us to do interviews?" That does not solve it.

**Mr. McDonald:** Mr. Laughren, I said we had identified a problem with the number of busy signals in the area.

**Mr. Laughren:** All right.

**Mr. McDonald:** And we are attempting to address that. We have increased the number of lines in there already, and if we feel a further increase is required, more will be installed.

**Mr. Laughren:** Good. What a struggle.

**Mr. Lupusella:** If I may continue, Mr. Chairman, I was talking previously about delay,

even in replying to letters. Last year the issue was well taken, but the problem persists. Going back to March 8, 1984, Mr. Van Clieaf stated:

"Like the chairman, we have standards for replying to correspondence where an answer is necessary.

"The operating practices are that the inquiry will be acknowledged to let the writer at least know we have received the letter." I do not have any problems with that. "That should be done very shortly after the letter is received by the adjudicator. The adjudicator then has up to 10 days to send a full reply in answer to that inquiry."

That is where my problem is. It is not my problem; I think it is the problem of your department.

**11:50 a.m.**

"I say 'up to'; that is the maximum. If they cannot send a full reply within that time, they are to let the inquirer know that we are still dealing with it and we will get back to them as soon as we can.

"There has been a change in our processing in that the letters now go to the claims adjudicators. The letters do not chase the files around the building. The letters go to the adjudicators and the adjudicators can identify that action is necessary, a reply is necessary.

"They can grade, to a degree, the urgency of replying to that correspondence. If necessary, they can instruct our records control people to please go and get this file. If, for instance, it is in the hands of the medical branch, or whoever might have a need for the file at that point, the filing people will literally go and pick up the file and bring it back to the adjudicator so he can reply to that priority correspondence.

"Our activities are monitored on an regular basis. Three times a year we will do a survey on how we are responding to priority correspondence, and I am not here to tell you we are meeting our goals in all cases. We are improving and, through our monitoring, if we start to slip or get into dangerous levels we reinforce our routines and procedures to try and meet the expected standards."

When you made this statement, Mr. Van Clieaf, I was sure—

**Hon. Mr. Alexander:** Mr. Van Clieaf is not here. That is Mr. McDonald. But the statement still stands.

**Mr. Lupusella:** I am sorry. I was sure the problem would be resolved because the monitoring system was in place last year, but when



people ignore memos, I do not think that system is working at all.

**Hon. Mr. Alexander:** I want Mr. John McDonald, in due course, to direct his attention to that concern because I would like to know myself about the ignoring of memos. You mentioned one young lady in particular whom I happen to know—I think it is the same one—and I am a little surprised at that.

**Mr. Lupusella:** I mentioned just one name to give you the idea that my criticism—

**Hon. Mr. Alexander:** Has some merit.

**Mr. Lupusella:** —has merit.

**Hon. Mr. Alexander:** We are prepared to answer that.

**Mr. Lupusella:** Talking about delay, last year I made a suggestion about the processing of a clothing allowance. I think I was speaking to Dr. Mitchell. Under the policy of the board, injured workers wearing braces are supposed to apply for a clothing allowance on a yearly basis. They must demonstrate that the brace is damaging their clothing and that they are wearing their braces on a daily basis. I suggested that a standard letter would be written by the board and sent to injured workers yearly.

**Hon. Mr. Alexander:** To those who are wearing some form of brace or prosthesis?

**Mr. Lupusella:** Right. In other words, you write a standard letter and the injured worker just has to sign it. It is a very simple method. You can have a standard letter in different languages. You can leave blank spaces to be filled in by injured workers. It will be less work for the board and for the new people who are wearing a brace at the time the pension assessment is made.

The board is aware of whether the injured worker is entitled to a clothing allowance and the form must be filled out then. The board has to continue for years to get confirmation from the injured worker that he is wearing the brace that is damaging his clothing. It is a simple procedure, less work for injured workers and less work for the board.

I think it was Dr. Mitchell who stated last year that my suggestion, which should not be mine—if you have a better suggestion than this you can take other action—but I do not think any action was taken about this issue, unless you are able to show me the opposite.

**Hon. Mr. Alexander:** We will address that when you complete your submission. I am making a note of all your questions.

**Mr. Lupusella:** Okay. On March 8, 1984, I asked about the figures from the 1981 survey of

pensioners and how many pensioners there were up to the end of 1983. I asked if members of this committee could have the figures. Mr. McDonald answered, "I do not see any reason why you cannot see the survey in that form as long as you understand it is not completely significant."

I requested that the survey be made available to members of this committee and I have not seen any survey since March 8, 1984. Perhaps you were expecting me to write a letter to make the specific request. I think when we are talking, it is already a request; I see people from the board taking notes. Are these notes destroyed after you leave this committee? I do not know. That is just an editorial comment.

**Hon. Mr. Alexander:** I do not destroy mine. Oh no, we do not destroy anything. We have to go back and review the notes. Maybe Doug Cain can reply to the question posed about the survey.

**Mr. Cain:** I stand to be corrected, but I believe I provided that report to you during the hearings on Bill 101. I may be wrong but I am almost 100 per cent positive I did provide it to the committee. I can certainly check on it. I believe I did.

**Mr. Lupusella:** Extracts from it.

**Mr. Cain:** No, the total survey. I am certain of it.

**Mr. Lupusella:** Everything?

**Mr. Cain:** Yes.

**Mr. Lupusella:** I never saw it. I am sorry.

**Mr. Cain:** I will check when I go back to the board, but I am almost 100 per cent sure I did.

**Mr. Lupusella:** You gave us a lot of statistical data. Maybe you are under the impression that you gave us that survey. I think you gave us extracts from the survey to come out with the figures the committee was looking for.

**Mr. Chairman:** I understand we did receive those figures.

**Mr. Lupusella:** Yes, about pensioners, but not the full survey. I requested a full survey of 1981, a copy of the form it was sent on and the questions the board asked injured workers to get their reply. I do not know what kind of a survey you did. I have no idea.

**Mr. Cain:** I will check on it.

**Mr. Chairman:** You still have the floor. Have you any more information to bring to us?

**Mr. Lupusella:** At the moment, I have an overall review of commitments made to us by the board based on the criticism raised last year. Because it is common knowledge that members of this committee get so frustrated by raising

issues all over again every year, I was compelled this year to go back a little bit to what the board has stated to us. I hope next year, if I am still the critic and if I am re-elected, I can talk about other things and not the same issues.

I will continue with my comment about the overall situation of the board. I think we are all aware the Minister of Labour has announced the provisions of Bill 101, An Act to amend the Workers' Compensation Act, which will be implemented on a staggered basis in 1985.

**Mr. Laughren:** Staggered is the right word.

**Mr. Haggerty:** Help keep the promise.

**Mr. Lupusella:** We know changes in compensation benefits will take effect April 1 and the balance of amendments to the Workers' Compensation Act, many dealing with administrative and procedural changes, will take effect in July 1985.

**Hon. Mr. Alexander:** That is when it is planned, sir.

**12 noon**

**Mr. Lupusella:** I am sure we are all familiar with the content of Bill 101 and we are all knowledgeable about the persistent position taken by government members in relation to amendments and so on, and how the minister rejected very constructive amendments moved by my colleague the member for Nickel Belt (Mr. Laughren) and Liberal Party members as well.

I have great concern about the new corporate board in Bill 101. I understand the time framework limitations for the implementation of the bill and so on, but I also understand the word "independence" of the new corporate board.

**Hon. Mr. Alexander:** Are you talking about the independence of the independent tripartite appeal board?

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** The corporate board has a full-time chairman, full-time vice-chairman and from five to nine part-time directors. That is not independent. That is the new corporate board structure.

**Mr. Lupusella:** That is what I am talking about, the new corporate structure which is independent from—

**Hon. Mr. Alexander:** No. There are two matters to which we must direct your attention. First, Bill 101 calls for a restructuring of the corporate board. In that regard, as I understand it, you have a full-time chairman, full-time vice-chairman and from five to nine part-time directors who will represent perhaps the law,

injured workers, doctors, labour, management. That is something else. That is not independent. That is the new corporate board structure.

The structure I think you are making reference to is the independent tripartite appeal board panel that will be chaired by a new chairman. That is going to be independent. That is what Mr. Warrington was alluding to. We were second-guessing the committee. We have moved the appeal structure to 2 Bloor Street West in preparation for this new independent body.

**Mr. Lupusella:** I am not talking about the independent appeal tribunal.

**Hon. Mr. Alexander:** You are talking about the corporate board?

**Mr. Lupusella:** The corporate board.

**Hon. Mr. Alexander:** Okay, fine.

**Mr. Lupusella:** It is restructured with new people and so on. It appears that the new people appointed to the new restructured corporate board will see laid out the format of policies which will be forthcoming from the implementation of Bill 101. I am sure the present corporate board is already working on the policy decision-making process of Bill 101. Am I correct?

**Hon. Mr. Alexander:** There is no question about that. It is not only with respect to the independent appeal board panel where we are taking what steps we can. Given there is going to be a chairman of that independent body, we can only go so far because a lot of the matters, issues, criteria and staff he or she will require will be left up to him or her. As to the corporate board, we are making preparations now to see to it.

**Mr. Lupusella:** That is the area—

**Hon. Mr. Alexander:** We do not know who is going to be on it.

**Mr. Laughren:** Did you say he or she?

**Hon. Mr. Alexander:** He or she.

**Mr. Laughren:** That implies a woman at a senior level of the compensation board.

**Hon. Mr. Alexander:** I am glad you raised that. If you will just give me a moment—

**Mr. Laughren:** Look around.

**Hon. Mr. Alexander:** I am glad you raised that.

**Mr. Laughren:** Let us start at the top and work our way down to the bottom.

**Hon. Mr. Alexander:** All right. You can start at the top. My executive assistant—here is another breakthrough—is a woman. That is the first time in the history of the board.



**Mr. Laughren:** Who is she?

**Hon. Mr. Alexander:** Luisa Giacommetti.

**Mr. Laughren:** She never comes here.

**Hon. Mr. Alexander:** Someone has to look after the chairman back there. I just wanted to let you know we are doing something in this regard. I can also advise you that the new assistant secretary of the board is a woman.

**Mr. Laughren:** Assistant secretary?

**Hon. Mr. Alexander:** Yes, sir. That is a first. Now I am trying to find—

**Mr. Haggerty:** It sounds like you are building another empire.

**Hon. Mr. Alexander:** I will get to that a little later. I am glad you raised it. That will give you some indication.

**Mr. Laughren:** So far I am not impressed.

**Hon. Mr. Alexander:** You should be impressed. I know you want perfection.

**Mr. Laughren:** That is out of what, 100 top executives?

**Hon. Mr. Alexander:** I have not finished yet. I want to get my document but I wanted to let you know.

**Mr. Laughren:** I did not say I would not be impressed; I said I am not impressed so far.

**Hon. Mr. Alexander:** You should be, with all due respect.

**Mr. Laughren:** I will wait until I have seen it all.

**Hon. Mr. Alexander:** All right. You were talking about the corporate board.

**Mr. Lupusella:** Perhaps I am talking to the wrong person because I was supposed to talk to the Minister of Labour (Mr. Ramsay) about that.

**Mr. Laughren:** Just one quick question. It surely would not be asking too much to have an organizational chart of the board from the top down, would it?

**Hon. Mr. Alexander:** An organizational chart?

**Mr. Laughren:** With names on it so we can see exactly how these people fit into the power structure, the hierarchy.

**Hon. Mr. Alexander:** I do not know how much work there is in that.

**Mr. Laughren:** Oh, come on, be nice.

**Hon. Mr. Alexander:** Let us put it this way, if you are talking about the entire 3,000 people in the board—

**Mr. Laughren:** No, no. Let me tell you what I am talking about. On page 4, if you can put the

names in there, with the gender, that would be helpful.

**Hon. Mr. Alexander:** I think we could, yes, as you have asked for it. I want to let you know progress has been made. I think there has been an upward progress to something like 38 per cent of women at the board holding managerial or administrative positions. I just gave you two illustrations.

**Mr. Laughren:** This would be helpful.

**Mr. Gillies:** I might add, from the ministry's point of view, that we are committed to further progress.

**Hon. Mr. Alexander:** Oh, we are always making progress in that area.

**Mr. Lupusella:** To continue, perhaps I was supposed to raise this issue with the Minister of Labour because you just stated that the new people who are supposed to sit on the new structure, the corporate board, have not been appointed yet.

**Hon. Mr. Alexander:** This I do not know, sir. Perhaps you can direct the question to Mr. Gillies. I do not have that information.

**Mr. Lupusella:** Maybe Mr. Gillies can give us a résumé of accountability about these appointments.

**Mr. Gillies:** I am not able at this time to inform you who the members will be. I would remind you, as stated in Bill 101, that the bill calls for the board to be broadly representative of employers, workers, professional people and the public. You can rest assured that I will be conveying to the minister your concern, and I am sure the concern of all members of the committee, and everyone here, that this board should also be broadly representative of the population as a whole, men and women.

I know my minister has a great concern in this area. We have been trying to improve on our own performance in that regard at the ministry.

**Mr. Lupusella:** I cannot rest assured, with respect, for one simple reason, because the present corporate board is already developing policies for the new act to be implemented. I do not think they should have the layout work, in which others will not have any input whatsoever on the new policy-making process because everything has already been done. I have a problem with that.

**Hon. Mr. Alexander:** Sir, maybe I can clear that up. You have a concern with that, and I think with some justification. It has to be business as usual but, in any event, we have to be very



careful in terms of how far we can go knowing that there is going to be a new corporate board coming on stream soon. So at the moment we are picking and choosing. We are being selective, especially with the kinds of policies, perhaps earth-shaking policies, that have to be dealt with at this time. But we are holding it down until we know where we are going because we want the new corporate board to be involved with the policy-making decisions.

This may mean there will be some delay in some very important matters, but I think it is only appropriate that the new corporate board will have some say in terms of future policies. So we are holding off, if you will, on a lot of policy decisions which will not immediately affect the injured workers.

**Mr. Haggerty:** They would be the last ones who would receive any benefits out of it, eh? That is what you are saying.

**Hon. Mr. Alexander:** I appreciate Mr. Haggerty's comment, but he is wrong.

**Mr. Haggerty:** Only time will tell, though, will it not?

**Hon. Mr. Alexander:** Time will always tell everything. Time will tell whether I get more grey-haired than I am. But I hope you understand what I am saying.

12:10 p.m.

**Mr. Lupusella:** I understand it. I am not critical about your position at this time because the Minister of Labour is responsible for this deficiency taking place between the present corporate board and the new, restructured corporate board. I do not think it is fair for the new people sitting on the new board to see a layout format of policies that eventually cannot be changed.

On the other side, I understand the situation that injured workers are supposed to get the benefits to which they are entitled under Bill 101. If there is a person to be blamed, it is the Minister of Labour and not the chairman of the board.

**Mr. Gillies:** Mr. Lupusella, I believe you have raised two very legitimate points: one, that the new corporate board be as representative as possible, including representatives in terms of male/female breakdown and, two, that the new corporate board have a very considerable say in the striking of policy for the board following the implementation of Bill 101. I want to assure you I share both of those concerns and they will be conveyed to the minister this very day.

**Mr. Lupusella:** Can we get a guarantee at this time that a message will be given to the people

who will be sitting on the new corporate board to review all the policies that have been enacted by the present board? The reason the present board is enacting policies at this time is on account of this delay.

They were supposed to be part of this process. In other words, what I would like to see from the present corporate board is flexibility to have the maximum input at the time when the new people will be appointed. I hope it will be as soon as possible, in order to review the present policies which have been enacted by the present board in relation to Bill 101, and that their comments will be taken into consideration as well.

It does not make any sense just to have representatives sitting on the new board coming from the labour movement or representatives of the total population of Ontario and so on. They might have a genuine concern about policies which have been enacted at this point. Because the layout work has been done, the people who are working for the board now might say, "We feel adamant that you do not know the eventual implications of what you are talking about because we did all of the preview work in relation to the policies and you have to accept them as they are now."

**Hon. Mr. Alexander:** Are you talking about the policies vis-à-vis Bill 101?

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** I do not think you have to worry about this. At this particular time, we had to second-guess the passage of Bill 101 and we did. That meant that all divisions were apprised of the needs that would be required in implementing Bill 101 in terms of board function. The new corporate board members are certainly going to be the policy makers of the board. You have my assurance that whatever they need or whatever we think, without hiding anything, will be brought to their attention.

**Mr. Lupusella:** You do not have to hide anything because there is nothing to hide.

**Hon. Mr. Alexander:** Right.

**Mr. Lupusella:** My concern is that you are laying out policies at this point which the new people are supposed to be part of and, because of the Minister of Labour, they are not around yet.

**Hon. Mr. Alexander:** I cannot answer the second part.

**Mr. Gillies:** I would like to add to what the chairman said. The logic of what you are saying, Mr. Lupusella, is irrefutable. Anyone taking on new responsibilities in an organization on a board to which he has not previously belonged is going

to want, as I am sure you or I would, to review the policies of that organization. I can give you every assurance that the new corporate board, on assuming its responsibilities, I am sure, will be working closely with the officials of the board and probably consulting with previous board members to ensure that the new policy ideas are formulated properly in the early stages and that the reforms the new board sees as necessary can be brought before—

**Mr. Lupusella:** I hope the gap will be closed as soon as possible by conveying this particular concern to the Minister of Labour and by bringing to his attention that there is a loophole existing at this point in the formulating of policy.

**Mr. Gillies:** I say again I am not convinced it is a loophole because it seems fairly logical, but I can give you every assurance I will convey your concerns on both of these items to the minister today.

**Mr. Laughren:** It might even be a new minister.

**Hon. Mr. Alexander:** If I may add, I think we at the board welcome the new corporate board structure.

**Mr. Lupusella:** No doubt about it.

**Hon. Mr. Alexander:** In the first instance, I think previously there was the concern that the board was not representative, if you will, of the several sectors within other communities. I do not know if there will be somebody representing the injured workers, but I hope so. However, there will now be people sitting on the corporate board bringing the concerns of their constituency to the board. The same with management, with labour, with law and perhaps with some of the social sciences.

In the long run, when the board does devise policy, their representatives will be sitting around the table, which is not what happens now, although to a certain extent, it does. We go out and get input, but we do not know whether it is representative. Now they will bring whatever the concerns are of the several segments to the corporate board, and in this way we will have even better policy. We will have the input of several people who represent a significant number of people in Ontario.

**Mr. Lupusella:** I will have to see their performance before I render my judgement. I might concur with you that there will no problem at all, but in the meantime there is a loophole even though you are dismissing that gap.

**Mr. Gillies:** We are not dismissing the concern. It would seem to follow logically—

**Mr. Lupusella:** There is a gap. I hope these people will be appointed as soon as possible so they will be part of the structure.

If I may continue with my opening remarks, I would be doing a disservice to the injured workers of Ontario if I did not raise the concerns New Democrats and I have about the upcoming transition period at the board. That is the point I raise. We are particularly concerned that the implementation of Bill 101 amendments will result in a two-tiered bureaucratic mess which cannot, by any stretch of the imagination, provide justice for injured workers.

**Hon. Mr. Alexander:** I do not quite understand what you mean by a two-tiered bureaucratic mess.

**Mr. Lupusella:** You had an opportunity to get the message coming from injured workers and the concern of the NDP, which was raised on the floor of the Legislature on the passage of Bill 101. You might dismiss our argument that the WCB is bureaucratic in principle.

**Hon. Mr. Alexander:** No, I am the first one to say that it is a big bureaucracy.

**Mr. Lupusella:** There are people suffering the consequences of that bureaucracy, and you are trying to improve that bureaucracy. Now there is a new addendum to the bureaucracy. The board has to deal with the present act and the new act. There are two classes of injured workers, the old and the new, who will be covered under Bill 101. On this side of the table we are afraid of the bureaucratic mess that will be caused by the implementation and operation of two acts.

**Hon. Mr. Alexander:** I do not know if Mr. McDonald will be able to answer that question, but I hope we are up to the challenge. Every year when you have your ad hoc adjusting amendments, we have to be up to the challenge in that respect too. I hope we have not fallen short there.

This is a brand new act and there are a lot of implications to it and a lot of complexities, but ever since Bill 101 was tabled, and even before that—I would say since the white paper—people at the board have been looking at it and asking, “What will we do?”

**Mr. Laughren:** A lot of meetings, I bet.

**Hon. Mr. Alexander:** You are right, Mr. Laughren, there have been a lot of meetings to try to get the process in order, not even knowing what form the bill would take in the end, but saying that everything indicated in the white paper and the original draft act would come into place. We have been working on that. When the implementation date comes forth, April 1, I think



we will be on top of that. I do not think I can add anything further.

**12:20 p.m.**

**Mr. Lupusella:** Maybe we can get some highlights of that process later on. I would like to remind you that our concern is genuine because it is a new act and we may get into a bureaucratic mess.

You will recall that when the present act was first enacted in 1914 it was a new act. Through the years the situation deteriorated to the point where injured workers have been crying out for justice all the time. I hope you will appreciate our comments and take our criticism in the light of our past experience. We have to learn from the past to build the future and to make a better future for injured workers. The record of the Worker's Compensation Board in the past was not the best one for injured workers.

**Hon. Mr. Alexander:** I always say, sir, there is room for improvement. There is room for improvement in an MPP's effectiveness and there is room for improvement in government, in opposition and in day-to-day industry.

**Mr. Lupusella:** I respect that opinion.

**Hon. Mr. Alexander:** From day to day we try to do the best we can to improve the service. That is uppermost in my mind and I know it is uppermost in the minds of my colleagues. What you are saying is—

**Mr. Lupusella:** I have been trying to elaborate on my statement about the bureaucratic mess.

**Hon. Mr. Alexander:** Sir, I say, with all the sincerity I can, that I hope we will not have a bureaucratic mess. I think we have had ample lead time. If we cannot meet the challenge with that ample lead time, there is something wrong with our system as we know it in terms of the board. We have had ample lead time in order to know what the concerns could be and would be, to what extent we have to be on top of everything that relates to Bill 101, and I think we are prepared.

**Mr. Lupusella:** Therefore, it is imperative that we begin to examine now, and not in 1987, the implications of what essentially will be two systems of compensation benefits existing side by side. New Democrats welcome the process of review and the reform of the workers' compensation system which began five years ago.

We have made and will continue to make suggestions for change of workers' compensation, but we cannot support Bill 101 amendments any more than we support the inadequate

Workers' Compensation Act which it was supposed to improve.

We stated our position clearly during the entire review process. We will never stop repeating it in the hope that the message will finally get across to the Ontario government. New Democrats never believed that legislative and administrative tinkering could resolve the fundamental problems of the workers' compensation system in Ontario. We remain convinced that only a universal and comprehensive sickness, accident and disability insurance program can provide the necessary protection workers and their families deserve.

I know a lot of members on the other side of the Legislature will not accept the principle, but I think it is time for the government to take a concrete look at the solution to the problem for injured workers, the universal and comprehensive sickness, accident and disability insurance program.

New Democrats are firmly committed to a program which would provide compensation for both earners and non-earners, irrespective of fault and irrespective of the cause of the injury, illness or disability. It defies logic to provide compensation for an injured worker if he or she is disabled at work, but to leave workers and their families entirely on their own if he or she is injured at home, on the street or in an automobile. The physical incapacity is the same, the loss of earning ability is the same, the anguish of the family is the same, the need for rehabilitation is the same. Everything is the same except for compensation.

We begin from the premise that workers and their families should not be penalized when injuries or illnesses occur. Society must accept the responsibility for the worker and for all those who, because of injury, illness or other disability, are not able to support themselves. It is a basic right, not charitable assistance. It is insurance against incapacity, not a frill to be cut back at government whim.

New Democrats have proposed the necessary elements of a universal compensation system, which are:

Compensation on a universal basis to injured persons, both for permanent physical disability and for income losses, fully indexed to inflation and adjusted quarterly;

Financing by the whole community from a levy on employers, self-employed individuals, motor vehicle drivers and from general revenue;

Compensation for those incapacitated by illness or other disability;



Repeal of the Workers' Compensation Act and exclusion of private insurers from the field of accident, sickness and disability coverage;

Provision of survivors' benefits to ensure continuing and adequate incomes for surviving dependants;

Action to prevent accidents by promoting safer work places; and

Requirements that employers provide adequate employment and re-employment opportunities for disabled workers.

Mr. Gillies, are you saying "Miller's Muskoka" or "Miller's Ontario"?

Mr. Gillies: It is Miller's Ontario now.

Mr. Lupusella: I thought it was just Muskoka.

Mr. Gillies: No. It is the whole province, as you will see this year.

Hon. Mr. Alexander: Oh, oh. Some honourable member said, "Oh, oh."

Mr. Lupusella: Who said so?

Interjection: We all agree.

Mr. Lupusella: It would be a disaster if it were to be Miller's Muskoka. He might end up with one seat.

Hon. Mr. Alexander: Oh, oh.

Mr. Laughren: There goes Lincoln.

Hon. Mr. Alexander: If I were to run again in your riding, I would whip you.

Interjections.

Mr. Lupusella: Did you say in my riding?

Hon. Mr. Alexander: Your riding or Mr. Laughren's riding. I can whip both of you, hands down.

Mr. Lupusella: Can I invite you to come?

Hon. Mr. Alexander: No. I do not like that life any more. I like being the chairman of the board.

Mr. Laughren: I do not doubt that at all.

Hon. Mr. Alexander: It is more exciting. It is more challenging. It is a tough job. You are underpaid, you are not appreciated and no one cares about you.

Mr. Laughren: You are probably one of the few people who appreciates that.

Hon. Mr. Alexander: I really do. I have had the experience; so I know what you are going through. That is why I am sitting here so patient and understanding—

Mr. Lupusella: I hope we are not wasting your time.

Hon. Mr. Alexander: No. You have said that when we come to these meetings, we listen to you. You have also said there has been improvement—I would like to say "marked improvement," but I will not put words into your mouth.

Mr. Lupusella: I would say just a slight improvement.

Hon. Mr. Alexander: Now you have changed it to "slight."

Mr. Lupusella: Let us follow my opening remarks.

Hon. Mr. Alexander: Let us say there is improvement, and that is good enough for me.

Mr. Lupusella: A just compensation system must provide for accident prevention, income maintenance and medical and vocational rehabilitation of sick, injured or disabled persons. The current workers' compensation system in Ontario and the future amended version fail on all three counts.

On page 15 of the 1983 annual report, we are told the WCB received 344,758 new claims. This translates to about three work place accidents every minute of the working day in 1983. A projection of more than 400,000 has been made as the number of new claims in 1984. Perhaps you have a different figure; I do not know.

Hon. Mr. Alexander: It is 388,000.

Mr. Lupusella: So there is an increase.

Hon. Mr. Alexander: That is right.

Mr. Lupusella: You never win with WCB.

Hon. Mr. Alexander: Sir, you put words in my mouth. There were 388,000 claims for 1984.

Mr. Lupusella: But you were proud about the reduction in the number of accidents—

Hon. Mr. Alexander: Yes, but there were more people in the work force. There were more blue-collar workers. As a result, more people were hired and, therefore, unfortunately the accident rate rises. We are never proud of the accidents. There is no question about that. I agree with you.

Mr. Lupusella: I will not make the same comparison about more people working in the private or public sectors. I think the problem lies with accident prevention.

Hon. Mr. Alexander: That is a very good point.

Mr. Lupusella: That is where the problem is.

Hon. Mr. Alexander: I think we can all deliver that message to employers around the province. I know I do.

**Mr. Lupusella:** I cannot do that. I think the Premier has to undertake the task of convincing the employers of this province that accident prevention must be the first goal of this province.

**Mr. Chairman:** Is there much more of your

statement to place on the record because it is now 12:30 p.m.?

**Mr. Lupusella:** I will continue later.

The committee recessed at 12:30 p.m.

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# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Annual Report, Workers' Compensation Board, 1983

**Fourth Session, 32nd Parliament**  
Wednesday, February 6, 1985  
Afternoon Sitting



Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, February 6, 1985

The committee resumed at 2:08 p.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983 (continued)

**Mr. Chairman:** When we broke for lunch, Mr. Lupusella was still on his opening statement. I think that would be a good place to resume.

**Mr. Lupusella:** Mr. Chairman, we were talking about the number of new claims in 1983, and there was a reference to page 15 of the annual report. Of the total claims, 147,666 were accepted as lost-time claims involving time off work and compensation payments. We are also told on page 15 of the annual report that in 1983 there were 82,889 WCB pensioners. That figure may now well be more than 90,000. I do not know if you have the new figures for 1984.

**Hon. Mr. Alexander:** Is that under the new permanent disability pensions?

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** Is that the second paragraph, Mr. Lupusella, or am I looking at the wrong thing?

**Mr. Lupusella:** Page 15.

**Hon. Mr. Alexander:** Yes, 82,889.

**Mr. Lupusella:** That figure may well now be more than 90,000. I do not know.

**Hon. Mr. Alexander:** We will have the information for you. I am not sure.

**Mr. Lupusella:** What this litany of statistics does not tell us is the pain and suffering of the injured worker and his family, who must cope with the disruption caused by the work injury and the possible permanent disability; nor does it tell us of the financial hardship many must face because of the fundamentally unfair policies and structure of the Workers' Compensation Board.

Speaking of pain and suffering, we get into a field of insensitivity. I know the chairman and others might become sensitive about the use of the word "insensitivity" towards pain among people working for the board.

I would like to draw to his attention that someone from St. Catharines wrote him a letter on January 18, 1985. The letter was addressed to him personally.

**Hon. Mr. Alexander:** Did I reply, I hope?

**Mr. Lupusella:** It was a long letter. I do not see any reply yet.

**Hon. Mr. Alexander:** Well, I did.

**Mr. Lupusella:** Did you reply?

**Hon. Mr. Alexander:** I hope I did. I always do.

**Mr. Lupusella:** There was a covering letter attached to the front page of the letter, which was sent to your office. It was not addressed to me; it was addressed to Mel Swart, MPP. Because it is a short letter, I just want to connect the principle of pain and suffering to what this lady is saying in this covering letter. It reads:

"Dear Mr. Swart:

"I have recently been with the compensation rehabilitation hospital, which was not a pleasant stay." I know we are going to visit the centre. I have written a letter to Mr. Lincoln Alexander, chairman of the Workers' Compensation Board, concerning this stay. I would appreciate your passing the copy I have sent to you along to the persons responsible for compensation." That means she did not get a reply.

"After several attempts to tell them that the long halls and their therapy was increasing my pain, only to be told it was anxiety and I should see a psychologist, I phoned my union office, ONA, as well as contacting my doctor.... ONA felt that the treatment was inappropriate.

The doctor—I do not know if it was her family doctor or somebody else—"advised me to leave. If they would not discharge me, I was to sign myself out; that he would look after my benefits.

"After my last meeting with the doctors I was discharged with full benefits.

"My letter to Mr. Alexander was sent because I feel that no one should be treated as I was.

"From speaking to people who have previously been in this hospital and with patients in at the same time I was, it seems to be a consensus of opinion you are treated as if your pain is not important, speaking to patients in a manner that is offensive—quietly or not so quietly disagreeing with you until they say you are antagonistic and you eventually lose your emotional control; then you are told you are unable to cope and we feel you should see a psychologist or a psychiatrist."



At any rate, this letter is handwritten and it is a long letter. I did not read the contents of the letter which was sent to the chairman of the board, but I hope I will have time to go through it.

This is a person who was complaining about her treatment. During the course of physiotherapy she had at the rehabilitation hospital, she got the impression that pain and suffering were irrelevant.

If I may, I will continue with my presentation. My own experiences with the old act and my impression of the amended act are that they are based on the premise that workers must be punished for the misfortune of being injured on the job.

**Hon. Mr. Alexander:** Mr. Lupusella, I did not hear your opening remarks. I was lost there. Will you start that paragraph over again, or else give its sense, rather?

No. The document from which you are reading now.

**Mr. Lupusella:** That is my presentation.

**Hon. Mr. Alexander:** Yes. I missed the first part.

**Mr. Lupusella:** My opening remarks?

**Hon. Mr. Alexander:** Yes.

**Mr. Lupusella:** What this litany of statistics on permanent pensioners does not tell us is the pain and suffering of the injured worker. His family must cope with the disruption caused by the work injury and the possible permanent disability.

In reference to that, I was talking about the pain and suffering of this lady. She had the impression at the hospital that pain and suffering were irrelevant, in the sense that they were more concerned about the treatment or physiotherapy she was supposed to receive rather than understanding what her problems were in relation to pain.

**Hon. Mr. Alexander:** Thank you. Now I understand.

**Mr. Lupusella:** I argued at last year's committee hearings, and I will argue again, that injured workers need more money so they can live decently. I know that is not your problem and that it is a political decision which must be made down here, but I know for a fact that the board has leverage to deliver benefits and has discretionary power to implement sections of the act to give certain amounts of benefits at its discretion.

During the course of the debate on Bill 101 we argued with the Minister of Labour (Mr. Ramsay) that such discretionary power should be

taken away from the board, because within the act the word "may" is widely used to give the board the power it has.

Of course, we did not succeed in our attempts, although we understand that increasing the level of benefits is something that has to do with Queen's Park. I know there are several sections in the present Workers' Compensation Act and in the new act in which the board has lots of discretionary power to give or not to give.

If people are complaining about the amount of benefits or when the benefits are cut off, I think the board is liable as well, instead of giving the full blame to the government in power.

I would also like to remind the board that unfair and discriminatory changes in the Income Tax Act now mean that disabled Ontarians, 65 years of age or older, who receive benefits from the Workers' Compensation Board will have their income from other federal and provincial programs reduced.

It also means that dependants must declare their workers' compensation benefits for income tax purposes.

**2:20 p.m.**

Last year the Minister of Labour was present and I invited him and you as the chairman to make a deputation before the federal government. I know it is not part of your responsibility, but surely it is your responsibility as the chairman and that of the minister to make a presentation, because the Liberal Party leading Ottawa formerly, and now the Conservative Party, are not very sensitive to the detrimental effects of the passage of the income tax law. I am not sure if you undertook the task of making a deputation or of writing letters to the minister. Maybe you can give us a briefing.

**Hon. Mr. Alexander:** Do you want me to answer that now? I cannot speak about any specific initiatives the minister has taken, although I do know he is interested in this subject. I have forwarded correspondence to him.

I think this is the thing you would like me to say, without my getting too involved because you realize it is a federal program. I have been following the matter up with a Dr. Bruce Halliday, who is a member of Parliament. As well, there has been correspondence to Dr. Bruce Halliday from the Honourable Jake Epp, who is the Minister of National Health and Welfare in Ottawa.

The last bit I have had, even though the Department of National Revenue seems to have stood pat with respect to its decision—in other words, a buck is a buck is a buck, notwithstand-

ing that it may be an injured worker who is applying for a supplement under the old age security plan—is that the Minister of National Revenue has indicated to Mr. Epp, who forwarded the correspondence to me, that he is reviewing the situation.

I do not know whether it is through yet, but I have made inquiries about it. I do not know how much further I can go with respect to that because, as you know, it is a pretty tricky thing. It is a question of whether, among all those people who are receiving pensions from any source, there should be any special recognition for the needs of injured workers.

I think that is a political decision, but the Minister of National Revenue as well as the Minister of National Health and Welfare will have to be deeply embroiled in it regarding who is going to win in the long run.

All I can say is that I have received correspondence from Dr. Bruce Halliday, who has kept me apprised of the situation. As well, the Minister of National Revenue has indicated he will be reviewing it, but I do not know what that means.

**Mr. Lupusella:** I think your main task was to take the initiative and I am pleased that you did so.

**Hon. Mr. Alexander:** I do not want to mislead you here. I had been involved, but I became more involved—

**Mr. Lupusella:** Maybe Mr. Gillies can give us the other side of the story about the minister's actions in relation to this issue.

**Mr. Gillies:** I have to say I am sorry, I was not here last year. I do not know what action has been taken on that issue. I have to find out and get back to you on that.

**Mr. Lupusella:** Fair enough. Now that there is a different political party in Ottawa, I hope the Minister of Labour will be able to convey the message that injured workers have been penalized in different ways under Bill 101, and also under the terrible law that was passed by the former Liberal government.

**Mr. Chairman:** Before you leave that point, Mr. Haggerty has a word.

**Mr. Haggerty:** I have a couple of points. I am delighted to see the chairman still has a pipeline to Ottawa to the Family Compact.

**Hon. Mr. Alexander:** Just as I had a pipeline to the Liberal establishment there.

**Mr. Laughren:** Do you think the chairman is part of the Family Compact?

Interjections.

**Mr. Haggerty:** I think I have mentioned this before during different debates, and our party has presented certain views on this matter. Now that the workers' compensation is dovetailed in with old age pension and Canada pension, particularly for the person who reaches the age of 65, why not give the person who reaches the age of 65 a lump-sum settlement? Is he not entitled to the lump sum that you have placed in some trust account and on which you give him only the interest year by year?

**Hon. Mr. Alexander:** A lump-sum settlement by way of a pension that he has?

**Mr. Haggerty:** You are going to be dovetailing it with Canada pension and you are going to be dovetailing it with the old age pension. It is just like some of the industries that have a similar program. Once the employees go on early pension and as soon as they attain the age of 65, their old age pension is taken off their company pension plan. They are not really getting rich on it. In fact, they are getting less. In other words, they are not permitted to stack.

I am suggesting that in the trust fund set aside for the injured worker, you may have an assessment award of about \$30,000, for example; it depends upon the degree of injury. Actually, what you are doing is putting that money in trust for him and then paying him the interest; that is what you are giving him when you say there is a 15 per cent award and he gets \$3,000 a year.

At age 65 that lump sum is still there; it does not go to the survivor. Would it not be fair to give that person a lump sum award, whether it is \$18,000 or \$20,000, at that age, either all or even a fair portion of it, and then wipe it off so that it is no longer a concern of the board? That should be it. If he wants to invest it on his own he can do that.

The way the board is set up now, as I understand it—and I do not think I am too far wrong—when an actuary makes the assessment and says he has 15 per cent disability and the industry is charged \$20,000 or \$30,000 or whatever, then the board comes up with an annual figure for, say, a permanent monthly disability rating of \$180 a month. He may get \$2,000 or \$3,000 a year. When he passes on, regardless of his age, that money stays with the board, which can reinvest it again.

To me, this should be a type of insurance where there is a final settlement in this area, even for a survivor.

**Hon. Mr. Alexander:** Mr. Haggerty, I will be very frank. I have never heard this philosophy brought forth.



**Mr. Haggerty:** I have suggested it many times, even in committee.

**Hon. Mr. Alexander:** I do not think I agree then, sir. I do not have a ready answer. I do not know which of my colleagues could address this matter. I think what you are talking about is that, when they become 65, people cannot value their pensions.

**Mr. Haggerty:** That is right.

**Hon. Mr. Alexander:** You feel it should be given, but then I do not know—

**Mr. Haggerty:** He is still going to have that pain and suffering. Why should he be cut back to almost nothing?

**Hon. Mr. Alexander:** Perhaps Mr. Cain can address this somewhat.

**Mr. Haggerty:** I will be glad when we get the executive assistant in here, because I think we may get some changes made when we get a woman's perspective in this, looking at it from the survival angle.

**Hon. Mr. Alexander:** All right. Are you ready for the answer? I think we can address this.

**Mr. Cain:** When a clinical pension award is provided to an injured worker, it is at a certain percentage for the worker's lifetime. It is at no time affected by any other plan: CPP, either disability or pension, or their pension at work. It is not affected by anything.

When it is capitalized, it is on the basis of the amount of pension and the expected life of the person or people in general. Therefore, the act dictates that we pay it for the lifetime. It is true, and I am sure it will come up, that people talk about why we do not commute more pensions. That is an issue, but I am simply saying that in effect subsection 43(1) of the current act says you are supposed to pay it for the lifetime of the injured worker.

As you can imagine, the principal on that pension is pretty small at age 65, particularly if it started at age 30, because it has been diminishing through the years. If people felt the legislation was there to pay a lump sum at 65, then some workers certainly would benefit, particularly if they died at perhaps 67 or 68. However, the worker who lived until 80 would lose because that pension probably is capitalized on the basis of maybe a 72-year lifespan. I am not certain. They would have 10 more years of pension than the capitalized value of the pension the fund would provide them with.

Based on the act, the board has taken the approach that it is a lifetime pension. It is not affected by any other plan; and will not be under

the new bill, by the way. CPP is not deducted from the clinical pension under Bill 101. Nothing affects the clinical pension. That will continue to be the approach the board takes.

2:30 p.m.

**Mr. Haggerty:** Has the board done any scenarios in this area? For example, what advantage is there to persons who may want to commute their pensions at the age of 65? Should that option be available for them?

**Mr. Cain:** I would think not. Mr. McDonald would be more able to answer that question.

**Mr. McDonald:** No, we have done no such study to my knowledge. Mr. Neal might be able to comment, but I am not aware of any. It has never been raised as an issue to my knowledge.

**Mr. Lupusella:** The issue of commutation was raised several times in this committee.

**Hon. Mr. Alexander:** Yes, but not the question of commutation at age 65. I can have Mr. Neal look at the implications of that question, the numbers and so forth, which I would hope could be helpful.

**Mr. Haggerty:** I would just like to see that scenario.

**Hon. Mr. Alexander:** All right; we will certainly have Mr. Neal look at it. I see my colleagues are writing that down. We will follow it through.

**Mr. Lupusella:** I found the position of the board more or less contradictory because if the level of pension ranges from one per cent to 10 per cent, the board has a discretion to commute the pension.

**Hon. Mr. Alexander:** That is right; may.

**Mr. Lupusella:** May; it is not written in the act.

**Hon. Mr. Alexander:** Yes, it is.

**Mr. Lupusella:** It used to be policy before.

**Mr. Cain:** No, under the current act; section 43(4).

**Mr. Lupusella:** I am talking about the old act.

**Mr. Cain:** Under the old act it was section 43 something.

**Mr. Lupusella:** So the discretionary power is there.

**Hon. Mr. Alexander:** Up to 10 per cent, I believe.

**Mr. Lupusella:** Which hints that even above the 10 per cent you have discretionary power to commute; and a set of policies preventing people from receiving a commutation. As far as I am



concerned, there is a contradiction in the way in which the board operates the act.

**Hon. Mr. Alexander:** Mr. McDonald, could you help us with this? I know we have a discretionary power up to 10 per cent. As a matter of fact, sometimes I wish that was not there because it has created a whole lot of problems for the board.

I know we are extremely careful of the interests of the injured worker, and we do not like to just commute pensions, because there have been instances where the venture has been unsuccessful. I think you know about that.

Our bottom line is that we will give the commutation if it is for a rehabilitative measure and is a sound sort of thing. I hope you appreciate that in a lot of instances that is not so.

**Mr. Lupusella:** Let us give you another situation.

**Hon. Mr. Alexander:** Let us have Mr. McDonald give us a little more detail on it. I am interested, because sometimes I see a pension commuted in one case but not in another case that is similar. Sometimes I wonder what the distinction is between case A and case B. There must be reasons at the lower level.

**Mr. Lupusella:** You may remember last year's case about payment of a mortgage. This guy lost the appeal for a partial commutation of two pensions. I know if the person applies for a partial or full commutation to open a business, because of the process of rehabilitation of the injured worker he gets the commutation.

**Hon. Mr. Alexander:** He may get it.

**Mr. Lupusella:** Based on my own experience, the door is more open for a person who gets into business to get the commutation than a person applying for—

**Hon. Mr. Alexander:** Who wants to discharge a mortgage.

**Mr. Lupusella:** Yes. Let us compare the two extremes, one for rehabilitation and the other for discharge of a mortgage. The payment or commutation given to open a business is riskier because the person might go bankrupt and be left without money; if he has to close the business, the money is gone. If it used for the discharge of a mortgage, at least you know the money is secured. If the person is intelligent and knows how to invest the money, he is going to save money because he is not going to pay extra interest to the bank, and the money saved can be spent for rehabilitation purposes.

I really do not understand the criteria used by the board.

**Hon. Mr. Alexander:** Help us in this regard, sir.

**Mr. McDonald:** What I was going to talk about, sir, is the issue of 10 per cent or less, the wording of the current act and the wording of the new act. The old act says:

"Where the impairment of the earning capacity of the worker does not exceed 10 per cent of his earning capacity, instead of such weekly or periodical payment, the board shall, unless in the opinion of the board it would not be to the advantage of the worker to do so, direct that such lump sum as may be considered to be the equivalent of it shall be paid to the worker."

In these circumstances, if the board feels the disability is liable to be progressive and go beyond the 10 per cent, we would not normally commute those.

The wording in the new act is somewhat similar, and the "shall" is there as well, but it deals with the less than 10 per cent. The rationale for commutations beyond that is handled in the vocational rehabilitation area, as you are aware.

**Mr. Lupusella:** Yes. I was making reference to a person receiving a permanent disability pension above the 10 per cent mark.

**Hon. Mr. Alexander:** Mr. Darnbrough will handle that.

**Mr. Lupusella:** I know for a fact that some people whose degree of disability was 25 per cent got full commutation of their pensions to open businesses for rehabilitation purposes. Such a person closed his business three years later because it did not go well. However, for mortgage purposes the money is well spent. The board knows where the money is going. You can have guarantees with the bank or with a private person that he gets the money for mortgage purposes. It is less risky than opening a business. That is why I do not understand the policy.

**Hon. Mr. Alexander:** Let us have Mr. Darnbrough expand a bit on the more than 10 per cent.

**Mr. Darnbrough:** Mr. Lupusella has raised the issue of commutation of current disability awards as they relate to mortgages, businesses and so on.

The commutation of an award per se is given under our criteria for the purpose of maintaining someone's income level over life, recognizing that his or her earning capacity has been somewhat disrupted by the injury and by the permanent disability that remains.

A decision about commuting the permanent disability award depends on the extent to which

commuting the award will affect that person's ability to live and meet the financial obligations of the future, regardless of how much that person is able to earn in the employment market.

To commute for a mortgage is a very serious decision. You will appreciate my initial explanation about the reason for a commutation and the reason for a pension. Our criteria establish that the person has to be in some jeopardy of losing the home in order for us to consider commutation for mortgage purposes. It is as simple as that.

In terms of establishing a business, if it is decided that the business venture is a viable one and that the person will be able to manage the business, then we are more inclined to make commutations for that purpose, because it is consistent with the fundamental philosophy that through the establishment of the business the person will be able to maintain an income and remain employed for many years, and therefore it is a rehabilitation measure of some kind.

**2:40 p.m.**

**Mr. Lupusella:** I appreciate your explanation, although there was nothing new in your statement. However, perhaps I can speak for a few minutes about the content of the criteria used by the board for the principle of commutation.

For business purposes, you are satisfied that the person goes through a rehabilitation process and that there is an income; but as I said before, it is not guaranteed. If he is going to open a business in an area where there is no income, he might close the business, period. There is a higher risk for a person in opening a business, and in the meantime, he is facilitated to get a commutation because it satisfies the content of the board's criteria.

For mortgage purposes, with any person who is asking for a commutation, especially when it is partial commutation, you make a distinction that the partial commutation should be based on half the percentage of the disability award. It satisfies you because there is a permanent income coming from the remaining percentage of the disability award; he is going to get the pension on a monthly basis.

If I may use an example, if I have a 20 per cent disability award, a \$200 pension on a permanent monthly basis, and I am asking for half commutation of 20 per cent, which is 10 per cent, I have a 10 per cent pension guaranteed for life. Am I correct?

**Mr. Darnbrough:** Yes.

**Mr. Lupusella:** So there is an income coming from half of the pension.

If the board is going to be more lenient, the other portion is going to be invested to pay off the mortgage, which is safe, it is not as risky as starting a business, and it is well invested, because the board should be satisfied with where the money is going—you can have safety procedures to make sure the money goes to discharge a mortgage—and yet the board is not satisfied. I still do not understand why these criteria are applied; it does not make sense to me.

**Mr. Darnbrough:** It is simply a matter of taking a look at the person's total economic situation and determining whether he is in jeopardy of losing the home he currently owns.

**Mr. Lupusella:** Well, I do not accept the premise of losing the home.

**Mr. Darnbrough:** If that is in danger then, of course, we would help them to establish a pattern to look after their expenditures with the income they have. That very often includes commutation, which would take care of the discharge of the mortgage.

**Mr. Lupusella:** In relation to the case I brought to your attention last year, the person was working at a light job. He had an income from the light job, because he fully co-operated with the rehabilitation department and so on; actually, it was the rehabilitation department that found him the job.

I do not think a partial commutation—there were two pensions and not one; it was a typical case. I do not know how I lost the case, and I was not even able to convince the appeal board panel that the partial commutation of the two pensions was appropriate. He could have ended up with one full pension; so there was a steady income there.

I brought the issue before this committee because the board is so reluctant to give partial or full commutations to people. But if the person has to appeal, the appeal has to be so close to the time when the person has to get a mortgage from the bank that you leave the person without options. He has to give up, not of his own will but by the will of the board, through delay in the appeal hearing.

I brought the case to your attention because there was no way in which we could make the appeal at the time when he was supposed to sign the papers to borrow the money from the bank.

**Mr. Laughren:** I believe the delays are deliberate.

**Mr. Lupusella:** It was deliberate.

**Mr. Laughren:** Would you believe from May to January for a commutation appeal? That is the kind of thing that is going on.



**Mr. Lupusella:** It was deliberate.

**Mr. Laughren:** Mr. Lupusella is dead on on this one, I will tell you.

**Mr. Lupusella:** He is still working at a light job; he did not lose his job.

**Hon. Mr. Alexander:** Mr. Lupusella, may I just interject for a moment? When you use the word "deliberate"—

**Mr. Lupusella:** It was deliberate on that occasion.

**Hon. Mr. Alexander:** —let me say that I do not accept that. I do not think there is any deliberate—

**Mr. Laughren:** Well, tell me why then.

**Mr. Lupusella:** It was deliberate because—

**Hon. Mr. Alexander:** I do not think there was any deliberate move on the part of the board to—

**Mr. Lupusella:** I can pull out the file. I sent you a letter.

**Hon. Mr. Alexander:** I am talking about the word "deliberate," sir.

**Mr. Lupusella:** It was deliberate, because you were alerted about the case. The reason I wrote you a letter was to speed up the date of the appeal, because we did not want to get into this type of situation.

**Hon. Mr. Alexander:** Speeding up the day of the appeal is one thing, but what I am questioning is the use of the word "deliberate."

**Mr. Laughren:** Do you know why we believe it is deliberate?

**Hon. Mr. Alexander:** Please tell me.

**Mr. Laughren:** I will tell you why, because when we talk to the board about commutations, the philosophy that always comes through is that the worker has a right to a pension but not a commutation of that pension. The pension is the worker's, but the commutation, the cash settlement, is not.

I am not being unfair to the board when I say that is the philosophy of the board. Right, Mr. Cain?

**Mr. Cain:** That is correct; and Mr. Darnbrough just explained the two reasons for which one would commute it; otherwise it is a lifetime pension.

**Mr. Laughren:** That is incredibly patronizing.

**Mr. Lupusella:** When a pension is given to an injured worker, it is given as long as the disability persists; it does not say for a lifetime. This means the discretionary power of the board can be used, even to recall an injured worker and say, "We are

going to appeal your pension because you are fully recovered." The board has this discretionary power.

**Mr. Cain:** Subsection 43(1) of the act does say that it will be a weekly or other periodical payment during the lifetime of the worker or such other period as the board may fix.

**Mr. Lupusella:** Then when you write letters to injured workers, why do you not write that the 10 per cent or 20 per cent pension is given for life, instead of writing, "for the duration of the permanent disability"? Maybe you have to restructure the forms you send out to injured workers.

**Mr. McDonald:** We do say that.

**Mr. Lupusella:** No, you do not say "for life"; you say "for the duration of the disability."

**Hon. Mr. Alexander:** Do you want to comment on that, Mr. Darnbrough, because I hear Mr. McDonald—

**Mr. Darnbrough:** I think Mr. Lupusella is referring to the letter that describes a permanent disability pension when it has been awarded. It refers to the length of time the pension will be paid and that is for the duration of the disability rather than life. I am not sure there is a significant difference between the two, not when we have determined in the first instance that the disability is permanent in nature and therefore will be with the individual for life.

**Mr. Lupusella:** I understand, and the act is clear; but someone who is not knowledgeable about the act will get the impression from what you are writing that he is going to get a pension as long as he is disabled, but if he is going to get better the board has the power to repeal the pension.

**Mr. Cain:** The board does have the power to repeal the pension if he gets better, yes. The board does not go out and check on pensioners, but it could.

**Mr. Lupusella:** Then you agree with me.

**Mr. Cain:** I am saying it is for the lifetime of the worker or such other period as the board may fix.

**Hon. Mr. Alexander:** What is your next point, Mr. Lupusella?

**Mr. Lupusella:** My next point is about the famous case, about deliberate or not deliberate.

**Hon. Mr. Alexander:** I do not think it is deliberate. I am sure you do not really mean that.

**Mr. Laughren:** It is not an honest approach to a—



**Hon. Mr. Alexander:** It is a subjective approach.

**Mr. Chairman:** That is a rather harsh word to use, Mr. Laughren. I think you should reconsider that.

**Hon. Mr. Alexander:** I do not think we have to go that far, Mr. Chairman, to have him withdraw it. I think I registered my concern.

**Mr. Laughren:** Yes, but it is not honest to say to someone, "Your appeal is being processed and in due course you will be told." If it is a commutation appeal being processed, it takes that long to get it done. Now that is not the way—

**Hon. Mr. Alexander:** But it is not deliberate.

**Mr. Laughren:** It is a coincidence, is that what you want us to believe?

**Hon. Mr. Alexander:** That is a much better word.

**Mr. Chairman:** That is a better word; I would rather hear that word.

**Mr. Lupusella:** At any rate, Bill 101 amendments will increase the maximum amount of average earnings upon which the loss of earnings is calculated for benefits purposes, from the present \$26,800 to \$31,500. New Democrats believe there should be no earnings ceiling. You might reply that is not your problem; it is a problem that belongs down here.

**Hon. Mr. Alexander:** You read my mind correctly.

**Mr. Lupusella:** All eligible workers should have the right to complete income replacement and not be financially penalized in the case of an injury worthy of compensation. That is your jurisdiction.

**2:50 p.m.**

I want to bring to your attention that there is little financial reason for retaining an earnings ceiling. In 1983 the average annual wage for claimants was \$20,991. That is why the government is always using its fanfare that the ceiling has been increased to a level at which a person can become rich now. They know the statistical data; the weighted average annual wage of claimants was \$20,991.

**Mr. Gillies:** I do not think the government has ever said that.

**Mr. Lupusella:** They are using a fanfare with each announcement every year, increasing the ceiling to a maximum of \$31,500 when the weighted average annual wage for claimants was \$20,991. There is nothing to lose by increasing it.

The fanfare goes on. There used to be big articles on the front pages of the newspapers. At least you are satisfying the general public that injured workers are well off when they are receiving compensation and that there is no need for them to complain. Sure, they have a right to complain.

Under the new act, benefits will be based on 90 per cent of the injured worker's pre-accident net earnings rather than the present 75 per cent of gross earnings. We New Democrats view this as nothing more than an unjust tax on disabled workers and we reject it. I think the minister heard argument after argument about this issue, but he was so persistent in reflecting the general will of the majority of the Tory members that we were unable to change his mind.

We especially reject this system because it works to the advantage of some workers and to the disadvantage of others, depending on their pre-injury salary and the number of dependants. Also, because the 75 per cent of the gross earnings and the 90 per cent of the net earnings systems for basing benefits will exist side by side when the Bill 101 amendments come into effect on April 1, we will be faced with the further absurd situation of many injured workers receiving a better or worse deal on their benefits, depending on the date of their injury.

This discriminatory practice must end. New Democrats believe that 100 per cent of pre-injury earnings must be the basis of compensation and that these earnings should include part-time, casual and other earnings to maintain the principle that all lost earnings should be compensated for.

Improvements to survivors' and dependants' benefits under Bill 101 are not enough and they are not retroactive. In our view, provision for surviving spouses, children and other dependants is basic and should not vary because the worker was unfortunate enough to have been killed on the job prior to April 1, 1985.

I know your informant kept you well informed during the course of the debate on Bill 101—

**Hon. Mr. Alexander:** Yes, he did. I read Hansard, too.

**Mr. Lupusella:**—but we will rehash it again to make sure the minister and his assistants will understand the implication of the big sin they committed against injured workers across Ontario, the denial of retroactivity. It was denied on the basis of the people who really deserve compensation, people killed on the job.

If they did not feel moved by such a prospect they do not understand the system; or maybe they

understand how the system works financially, but they do not understand the human suffering in our society.

I think injured workers were attacked on several occasions for abusing the system. In particular, employers made speeches before us saying that a good majority of people are taking advantage of the system and some injured workers are not supposed to get money from the WCB.

Here is a clear-cut case that I am sure the general public would have accepted; those people killed on the job. There was no doubt in people's minds or in the government's mind that if compensation is here to stay and if it is to serve people who are legitimately injured or killed on the job, we have to give the right compensation. I think retroactivity was supposed to be implemented to cover all workers who have been killed as a result of an accident.

Compensation should be equal to what the worker would have reached not only had he or she lived but also had his or her earnings followed a normal work life development pattern. There should be no penalty for those bereaved by the death of a worker and, in particular, no penalty for spouses under 40 or for those eligible for survivor benefits under the Canada pension plan. In fatal accident cases, survivors' and dependants' awards should be set at 100 per cent of the worker's pre-accident earnings, fully indexed for inflation and adjusted for lost future earnings.

Neither the old Workers' Compensation Act nor the amended version provides for temporary compensation benefits equal to 100 per cent of pre-injury net disposable earnings. New Democrats believe that any worker who is injured should not be subject to a cut in income because of a work-related disability. This is tantamount to paying a fine for being injured. We regard it as fundamental that there be temporary compensation benefits for 100 per cent of income lost until the onset of permanent disability and the wage loss pension payments.

The compensation benefits of injured workers are constantly being eroded by inflation. When increases come, they are usually months later than appropriate and, furthermore, are unpredictable. There are no provisions in either the old Workers' Compensation Act or the Bill 101 amendments for regular cost-of-living increases to benefits.

In order to provide financial stability for injured workers, New Democrats believe WCB benefits should be fully indexed to inflation, such

adjustments to be made according to changes in the consumer price index and to be made at least quarterly and by regulation. In addition, pension levels must be adjusted not only for cost-of-living increases but also to recognize lost opportunities for normal career development or job progression.

There is no justification for freezing an injured worker's income level without regard to the normal anticipated increases that will accrue to his or her peer group. As I will note later, the lack of full automatic indexing of benefits to inflation also has implications for the board's unfunded liability.

The infamous meat chart, or clinical rating system, will be retained in the amended Workers' Compensation Act. New Democrats have argued long and hard against a system that bases permanent pensions on percentage assignments to bodily impairments. Under this disability rating system, the loss of a finger results in the same percentage award to both a construction worker and a teacher, although its effect on the earnings of the construction worker would probably be more severe than on those of the teacher.

**3 p.m.**

Now that we are on this argument, last year I raised the issue of the revision of the clinical rating system. In the United States, such a revision took place a few years ago and the board made a commitment—I could take a few minutes to go into the content of last year's answers, but I will not do so. I am sure the chairman and Dr. Mitchell will recall the criticism in relation to this aspect of compensation.

I got the feeling there was strong commitment from board officials last year that such revision would take place as soon as possible. Again, I am going by memory. I clearly stated we do not need specialists from the United States to revamp the clinical rating system. We have enough expertise in Ontario and across Canada to have our own. I recall the discussion very well.

**Hon. Mr. Alexander:** Do you want the answer now, on what steps were taken, or at the end of your submission? I have a list of things here that we want to bring to your attention.

**Mr. Lupusella:** If you are taking notes, I can go on.

**Hon. Mr. Alexander:** I have notes. Carry on, sir.

**Mr. Lupusella:** New Democrats recognize the injustices and the failings of the current and soon-to-be-amended compensation system. We



want all injured workers to receive a lifetime, fully indexed pension to compensate for the pain and suffering that result from disabling injury. Let us not forget that a permanent disabling injury has damaged the lives of the worker and his family and its effects are permanent, 24 hours a day, 365 days a year.

In addition, we want all injured workers to receive a second, lifetime, fully indexed wage loss pension to compensate for income loss resulting from disabling injury. It would compensate not only for wage loss at the time of re-entry into the labour force, but also for the effect on the future earnings of permanently disabled workers.

I know from my own daily experience with injured workers in my riding that many are receiving inadequate WCB pensions, in many cases because they were assessed at low rates of partial disability. You are also teaching me the present clinical rating system is open to interpretation as well. Besides the percentage figure that is given to an injured worker to assess the degree of disability, you have guidelines within the system which are open to interpretation and the board's doctors are applying these.

Elderly injured workers are particularly hard hit. Many have received less than favourable treatment by the rehabilitation division and many are unemployed. I am sure the frustrations of injured workers in my riding are shared throughout the province. Although the WCB annual report provides us with the fact there were 82,889 injured workers' active pensions on file at the end of 1983, it does not give us a statistical profile of the pensioners' population. The only figures we have available are from a sample survey done by the board in 1981. Our information from this survey is that of approximately 80,000 WCB pensioners in 1981, an estimated 30,000 were over 65 years old, 20,000 were unemployed—

**Hon. Mr. Alexander:** Did you cover this point before? I think I have it down. I do not want to detract from your presentation, but I have it here: pensions 80,000; 30,000 working, 40,000 unemployed. I was going to have someone direct attention to that, but carry on.

**Mr. Lupusella:** Yes, I raised the issue last year and was reading from Hansard.

**Hon. Mr. Alexander:** Then you are just doing it again.

**Mr. Lupusella:** This means that of the 80,000 pensioners, 30,000 were working. It also means that 10,000 of a potential 40,000 employable injured workers were unemployed, a rate of 25 per cent. We were told last March that the board

had some concern about the accuracy of this survey and that discussions were taking place to make a better assessment of the real situation.

The question I am posing is, has the board conducted another survey of pensioners? If not, why not? It was stated clearly last year that the survey taken in 1981 was not accurate.

**Hon. Mr. Alexander:** I have no knowledge of it right now, but after you have finished your submission, I am sure someone will be able to assist us here. I do not think there has been another survey, but let us see.

**Mr. Lupusella:** I am as interested as the board is in making an assessment of the real situation. I think we have to have feedback from the pensioners to determine the extent of their economic difficulties and the reasons for their unemployment.

I cannot understand why the WCB does not do such a survey on a regular basis to monitor the effects of its activities. As well, would the board be able to provide us with an up-to-date figure for the current pensioner population, considering that the numbers in the annual report are already more than a year old?

**Hon. Mr. Alexander:** I think we can have that for you.

**Mr. Lupusella:** The 1983 WCB annual report indicates that the number of appeals heard increased from the preceding year. Appeal adjudicators held 3,170 hearings, and allowed or partially allowed 44.5 per cent of appeals decided. My friend the member for Nickel Belt (Mr. Laughren) raised the point that if 44.5 per cent of appeals were won, maybe they were issues that could have been dealt with by the claims review branch without placing injured workers in the situation of going through the appeal system, which is time consuming and raises the issue of delay as well.

These statistics tell me that at all levels of the board thousands of injured workers are not receiving justice speedily rendered. Sometimes it seems the board is creating an obstacle course for injured workers instead of a fair compensation system. Workers have to contend with long delays in scheduling appeal hearings, a general mistrust and discounting of medical opinions they obtain from family physicians and independent medical experts, and a vocational rehabilitation system that is often used as a revolving door to get injured workers off benefits as quickly as possible.

When I am involved in the appeals process on behalf of an injured worker, I find we must wait six to eight weeks from the date of the request to



receive a copy of the case file from the WCB. In addition, we have to wait five to six months from the day we request an appeal to the actual hearing date. On top of this, the worker must again wait for a decision. I have checked with my NDP colleagues and their assistants and they confirm that the six-to-eight-month delay in the appeals process is a common experience.

It is inexcusable that injured workers are put on hold for months while they wait for decisions that will have a fundamental impact on their lives. I have raised my concerns about the delays in the appeals process on numerous occasions in the past. As at last year's hearings, the WCB denies that injured workers are waiting half to three quarters of a year for an appeal hearing, and we end up in a wrangle over whose figures are right and whose figures are wrong.

To end this situation and to get an accurate picture of the time frame involved in the appeals process, I am asking the board to provide me with statistics on appeal hearings starting in 1983. This may solve the situation even though we may end up in disagreements as well.

**3:10 p.m.**

Specifically, I would like a list of when each appeal is requested and when it is actually heard as well as the date the decision is handed down. Such statistics will clear up once and for all any confusion on the issue of appeals delays and allow us to get on with the job of providing a faster, improved appeals process for injured workers. It would also be useful to examine why thousands of claimants are denied justice at the lower levels of the Workers' Compensation Board and find it necessary to pursue the appeals process.

In connection with the appeals question, I wonder if the board would clarify some statistics in the 1983 annual report regarding the claims review branch. We are told that of the 22,596 claims reviewed by the branch, the adjudicator's recommendation was confirmed in 62.9 per cent of claims and reversed in 4.5 per cent. I think our criticism is fair. My question has to do with the 32.6 per cent of claims which are returned for alternate action or further review.

Would the board please explain why these claims are returned, what exactly is involved in alternate action or further review, how long this takes and how these cases are ultimately resolved?

In his 1983-84 annual report, Ontario Ombudsman Dr. Daniel Hill identified the three systemic problems he had observed in his dealings with the Workers' Compensation

Board. One of these problems, Dr. Hill told the select committee on the Ombudsman last September, was the "reluctance on the part of the appeal board to accept expert independent medical evidence above the evidence of the board's own medical consultant."

I am glad Dr. Hill is making such a statement because last year, you will recall, we clearly stated that the board's doctors are the adjudicators and are also becoming the judges when an appeal is launched. I recall the discussion very vividly. Of course, you and Dr. Mitchell denied the allegations and actually presented the position that even though the medical branch, doctors employed by the board, gives the medical opinion about the case, the adjudicators and the appeal board are the real judges of the case. We disagree with that, and this year we even have Dr. Hill supporting our position.

**Hon. Mr. Alexander:** Notwithstanding, our position still stands. I say that with all due respect to Dr. Hill.

**Mr. Lupusella:** You have the New Democratic Party and Dr. Hill against one judgement, which is the board position. I do not know who is right and who is wrong. If you are going to weigh the evidence, we should win and you are wrong.

**Hon. Mr. Alexander:** That is a debatable point, sir, but we will address it further once you have finished.

**Mr. Lupusella:** I completely agree with Dr. Hill's observation, but my experience is that the systemic reluctance exists at all levels of the Workers' Compensation Board, not just at the appeals level.

Injured workers must wage long, uphill battles to have the WCB accept and consider for claims purposes medical reports from family physicians and specialists on work-related injuries. Unfortunately, I think this systemic reluctance can be traced to nothing other than the board's deeply cynical view that injured workers are out to swindle the WCB for all they can get unless they can prove otherwise.

Injured workers are caught in an adversarial trap if they disagree with the medical evaluations made by the board's doctors. The onus is on the worker to obtain medical evidence supporting his claim, although odds are that such independent evidence will be overruled by the board's doctors.

Board officials have tried to justify their preference for the medical opinions of their own doctors with claims that these physicians have a greater expertise in assessing disabilities for workers' compensation purposes; that they are in

a better position to offer advice on the cause-effect relationship of injuries; and that they are more objective and impartial than family doctors could be. I think these rationalizations are a smokescreen and I am sure the implications of medical subjectivity and partiality would not be taken lightly by those independent doctors who are treating injured workers.

Another area of concern was brought up at last year's hearings on the annual report by my colleague Floyd Laughren. He questioned the propriety of board doctors acting, in effect, as adjudicators. Does the Workers' Compensation Board have any statistics available on the number of times medical decisions on disability are adopted part and parcel as adjudication decisions?

New Democrats have proposed the establishment of independent medical review panels to eliminate deadlocked medical opinions at the board. These would consist of three specialists, one of whom would be selected by injured workers. In addition, the panel would be required to consult the injured worker's family doctor.

According to page 10 of the annual report, the board's two industrial disease consultants reviewed 38.4 per cent more files in 1983 than during the previous year. At last year's hearings on the 1982 annual report we were told an additional consultant was going to be trained and added to the staff. However, there is no mention of a third consultant in the most recent report.

Considering the fact that the case load rose dramatically in 1983, can the board explain how the two consultants coped in making assessments of occupational disease claims and why an additional consultant was not placed on staff?

In the 1983 WCB annual report, as in previous years, we are treated to glossy photos and success stories of injured workers who have undergone vocational rehabilitation and are living full, useful and productive lives. I am always delighted to see such stories. If I could have my way, I would like to see one for every injured worker referred to the board's vocational rehabilitation division. Sadly, however, behind each of these success stories there are far too many injured workers who have been failed by the board's rehabilitation program.

In 1983, 3,981 injured workers were rehabilitated. Of these, 3,188 were returned to work and an additional 793 who did not were assisted in achieving financial self-sufficiency.

I was told at last year's hearings a new record system would be in place this year in the division and more detailed and complete information of

rehabilitation activities would be available. I have a number of questions regarding the vocational rehabilitation statistics which I hope the board will be able to answer fully this year.

**3:20 p.m.**

1. How many of the 3,188 injured workers who returned to work were hired by their previous employers?

2. How many returned to work at or near their pre-injury rate?

3. How many returned to work in the same occupational category? In other words, how many found work which was unrelated or which paid considerably less than pre-injury employment and how many skilled tradesmen, for example, ended up working as watchmen?

4. On average, how long a period of rehabilitation was involved? How many were provided vocational rehabilitation programs?

5. Regarding the 793 others who did not return to work, what does the phrase "were assisted in achieving financial self-sufficiency" mean? Does it mean qualifying for CPP disability benefits, welfare or family benefits? How many of these 793 men and women qualified for these non-WCB benefits?

6. What follow-up exists concerning these rehabilitation efforts? At what intervals after the return to work of an injured worker is contact made? For how long is the worker's re-employment monitored?

7. How many, or what percentage, of the workers who were rehabilitated and returned to work in previous years were still working one, two and three years later? Are such figures available? Is such a follow-up actually done, and if not, why not? We raised this issue last year. I could go back to Hansard and read these same questions, which were raised last year about this follow-up process for rehabilitated injured workers.

**Hon. Mr. Alexander:** Given the extent of the question, we will certainly take this particular question in all its parts on notice. I am sure that, where possible, we will try to answer each and every question you raise. I do not think we are in a position to do it here today, but we are aware of your concerns with respect to those questions and we will get back to you.

**Mr. Lupusella:** We are very patient, we are quite flexible and we can wait.

**Hon. Mr. Alexander:** We appreciate that. We try to answer all questions that are left unanswered at the committee hearings. We try to look at every question that is left unanswered



when we leave here and get the information back to the clerk or to the individual member as the case may be. This one we will take on notice.

**Mr. Lupusella:** I am raising these questions, with respect, not just for the sake of raising the question about rehabilitation. You understand the importance of rehabilitation when an injury has taken place. Everyone would like to see injured workers go back to work. This is of prime importance for us and, I am sure, for a lot of members of this committee because if rehabilitation works properly, the one who is going to win is the injured worker.

We are not using statistical data just for the sake of blaming the board and pinpointing the failure of the rehabilitation department. We are trying to be very constructive, to have something in place that will monitor the situation and to see more injured workers go back to work after an injury. It is as simple as that.

We would like you to give us the statistical data. My previous statements gave you credit for what belongs to you and to others, but we want the situation to improve for the sake of injured workers.

**Hon. Mr. Alexander:** We try our best to meet those requests.

**Mr. Lupusella:** The submission listed numerous problems in the vocational rehabilitation division. Maybe there is a problem with staff morale. This was brought to the attention of the board in the Canadian Union of Public Employees brief last year, and as I recall, you denied it. Do you remember the CUPE brief?

**Hon. Mr. Alexander:** Yes, sir.

**Mr. Lupusella:** CUPE was talking about low staff morale, tense management relations, counsellors faced with heavy case loads, lack of innovative programs and increased emphasis on statistical targets and goals to the detriment of the human element involved in vocational rehabilitation.

Then there is the other side of the story of the approach used by vocational rehabilitation counsellors when they deal with injured workers. To be frank with you, I have not spent time with them at their division or at the board level about their problems concerning low staff morale, which was brought to your attention by CUPE.

A 1983 brief from the Association of Injured Workers Group reported that "most of the board's rehabilitation efforts are directed at attempting to return the injured worker to the job market as he or she now is. This is obviously a sensible approach if the disability is not serious

enough to prevent a return to the pre-accident employment (either with the same employer or another employer in the same field), or if the injured worker has sufficient skills and abilities which allow him or her, in spite of the disability, to find a decent job in some new field.... Unfortunately, however, more seriously injured workers do not fit this pattern."

The AIWG brief also pointed out that "rehabilitation is viewed by the board essentially as a privilege which it grants to some injured workers. By and large, the current system dictates that the rehabilitation department should do as little as possible in the way of active rehabilitation to keep costs down."

**Mr. Laughren:** I thought you said you were going to say nice things.

**Hon. Mr. Alexander:** He still is, but now and again he gets sidetracked.

**Mr. Lupusella:** I am just reporting. You have to remember that the duty of an MPP is to voice the concerns of the public.

**Mr. Laughren:** Right on.

**Hon. Mr. Alexander:** How well I know that, sir.

**Mr. Lupusella:** That is what I am doing. I am voicing the concern of organizations not allowed to appear before this committee and speak about these problems.

**Mr. Laughren:** That is an excellent point.

**Mr. Lupusella:** Therefore, it is my duty to voice their concerns.

**Hon. Mr. Alexander:** I understand your duty, sir. There is no question about that.

**Mr. Lupusella:** I missed the point now.

**Hon. Mr. Alexander:** You were talking about the efficacy of the rehab department.

**Mr. Lupusella:** Yes, thank you. As I mentioned earlier, New Democrats have rejected the wage loss approach to compensation and have recommended a dual award system which recognizes both the occupational and nonoccupational losses of injured workers. We realize the all-important relationship between the compensation system and vocational training. Only by providing financial security for injured workers can we allow them to get on with their lives and create a maximum incentive to rehabilitation.

However, I realize it may be some time before the WCB adopts our proposal for a dual award system. In the meantime, I would ask what action, if any, the board has taken to address and solve the numerous vocational rehabilitation problems identified by the CUPE 1750 brief. I



would also ask whether the board has considered any initiatives to improve the present rehabilitation system.

**3:30 p.m.**

The statement on the board's unfunded liability is, according to the chairman's forwarding message, an important feature of the 1983 annual report. In 1983, the board's unfunded liability rose to approximately \$2 billion, up from \$1.4 billion in 1982. The average rate of assessment for every \$100 of assessable payroll in 1983 was \$1.88. For 1984, the average assessment rate was set at \$2.17 for every \$100 of assessable payroll.

New Democrats share the chairman's concern regarding the size and growth of the board's unfunded liability. After all, we also want to ensure that the Workers' Compensation Board will be able to meet its financial commitments to the injured workers of Ontario. What we will dispute, however, is the offensive anti-worker assumption which underlies discussions on unfunded liability. It is true that benefits have increased, it is true that the average duration of claims has increased in recent years, and it is true that the payroll assessment bases of some industries have been reduced by the great recession. However, these factors alone did not produce the current unfunded liability in any mysterious way. I am sure my friend Floyd and I concur that mismanagement was the main issue.

**Mr. Laughren:** Hear, hear. What else?

**Mr. Lupusella:** The key ingredient missing—

**Hon. Mr. Alexander:** Delete the word "mismanagement."

**Mr. Lupusella:** Do you want me to reinforce the word "mismanagement"?

**Hon. Mr. Alexander:** No; delete it.

**Mr. Laughren:** Gross mismanagement.

**Hon. Mr. Alexander:** Delete the descriptive adjective.

**Mr. Laughren:** Grotesque mismanagement.

**Hon. Mr. Alexander:** Delete that as well.

**Mr. Laughren:** Inexcusable mismanagement.

**Hon. Mr. Alexander:** Delete that, as well.

**Mr. Chairman:** Mismanagement is the sore point.

**Mr. Laughren:** Right; I am glad you agree.

**Hon. Mr. Alexander:** Carry on, Mr. Lupusella. I do not want you to lose track now, but every time you say "mismanagement" I want it deleted.

**Mr. Lupusella:** I have been sick for 10 days.

The key ingredient missing is the Conservative government's long-standing policy of having workers' compensation provide cheap insurance for Ontario employers, while at the same time improving the system and increasing benefits to only a minimal socially acceptable level.

Since 1975, the payroll-weighted average assessment rate for Ontario employers has varied between \$1.45 and \$2.17 per \$100 of payroll. In other words, during this period, workers' compensation has represented a payroll tax of between one and more than two per cent. In this regard, we should not be believing the illusion of skyrocketing assessment costs from frequent complaints of employers, nor should we regard as credible predictions about future rates. Workers' compensation has been a good deal for Ontario employers.

Accident prevention, compensation of injured workers and medical and vocational rehabilitation are expensive, but they are the costs of doing business. The more attention employers give to accident and disease prevention, the lower the cost of compensation will be. The ultimate cost of workers' compensation is largely in the hands of Ontario's employers. If they feel the costs are too high, then they should invest more heavily in prevention. Injured workers should not have to subsidize employers by receiving inadequate replacement income as a result of being hurt. This simply transfers to the victim the cost of his or her own injury, even though workers' compensation is supposed to provide no-fault insurance.

New Democrats believe that all injured workers, survivors and dependants should share the improved benefits under Bill 101 when they are implemented this year. The Minister of Labour (Mr. Ramsay) announced his intention last December to introduce a series of supplements to the ad hoc adjustments which would beef up the pensions of existing survivors under the old act, but this is simply not enough. There is absolutely no justification for discriminating against existing pensioners, survivors and dependants because injury or death occurred prior to the effective date of the Bill 101 benefits amendments.

I raised my concerns earlier about the coexistence of two compensation systems at the WCB and would appreciate it if the board could provide the details on whether and how it is preparing its staff and manuals for the transition. I think I made such a request earlier. Do you have any cost figures for this preparation and transition? It

is quite possible that an existing claimant may be reinjured on the job after the effective date of the Bill 101 amendments. Has the board considered such a possibility and will it be prepared to deal with such situations? Can the board give me any assurances that the best interests of injured workers will not be lost in the shuffle of case files between one system and the other?

**Hon. Mr. Alexander:** I think I gave you that earlier, sir.

**Mr. Lupusella:** I am sure you stated your position; you are trying to achieve your best.

New Democrats will be watching closely and with interest as the board copes with the administration of justice to injured workers under the old act and the amended act.

Before I get into other areas of concern, Mr. Chairman—

**Hon. Mr. Alexander:** Your colleague wants to know when he is going to get a chance.

**Mr. Lupusella:** Immediately. For you, Mike, I will leave the floor any time.

**Mr. Chairman:** We have covered 1984.

**Mr. Laughren:** We do that all next week.

**Mr. Lupusella:** We are talking about the annual report. I want to look at one statement the chairman made on page 16 of his opening remarks. He stated that the staff is able to communicate in more than 40 languages.

I am informed that the union made presentations to make sure the employees using a third language would get more wage benefits. Although you appreciate the fact that many employees speak in many languages besides English and French, it appears you are rejecting the recommendation made by the union representing the employees who work for the board. If they are using a third language besides English and French, why are they are not remunerated for doing so?

I am just wondering why the board is so reluctant to give extra benefits to the employees who are trying to make sure the system will serve the myriads of people speaking different languages across Ontario.

**Hon. Mr. Alexander:** In your point there, Mr. Lupusella, are you stating that—

**Mr. Lupusella:** The union requested extra money, I guess.

**Hon. Mr. Alexander:** Do you mean extra money because a person was conversant in both English and French or in a third language?

**Mr. Lupusella:** I mean a third language.

**Hon. Mr. Alexander:** That was not brought to my attention. I do not know where that stands in negotiations right now. With all respect, I do not think it is proper to get into this right now. I do not know whether it has been finalized or what the position of the union and/or the board is with respect to that. You brought it to our attention, but I do not think I want to touch that, sir, because it is a part of the collective bargaining process.

**Mr. Lupusella:** I am not sure whether it is part of the present collective bargaining process or whether it is something that has been requested in the past and the board refused to—

**Hon. Mr. Alexander:** It has never been brought to my attention, sir, but since you indicated that perhaps it is a part of the collective bargaining process, I hope you will understand and just let this one slide away. I think you brought it to our attention by letter.

Interjections.

**Mr. Lupusella:** If it is part of the present collective bargaining process, I do not want to get into it.

**Hon. Mr. Alexander:** That is why—

**Mr. Lupusella:** If this request has been made in a previous bargaining process and the board refused to accept the demand, I hope the board will reconsider the union's demand on behalf of these employees.

**Hon. Mr. Alexander:** Let us have an opportunity to look at that. I think we are treading in some dangerous water here. You have given us notice of it and—

**Mr. Lupusella:** I hope I do not have to raise it next year.

**Hon. Mr. Alexander:** We will have the answer for you before next year.

**Mr. Lupusella:** Right. At least I am going to have the answer.

3:40 p.m.

**Hon. Mr. Alexander:** I am not too sure what is happening there, but I think you have brought the third language to our attention.

**Mr. Lupusella:** Maybe you can give me some answers.

**Hon. Mr. Alexander:** Do you want a list? Is that what you are saying?

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** Mr. Chairman, I think the member for Nickel Belt was here. We have with us—



**Mr. Haggerty:** You should quit when you are ahead.

**Hon. Mr. Alexander:** I guess you are right.

**Mr. Chairman:** Do you want Mr. Laughren to come in?

**Hon. Mr. Alexander:** Yes, ask him to come in, because he raised some questions about our equal opportunity program and the amendment we were involved in. At this time, we have Miss Andrea Hagan, who is the co-ordinator of the human rights and equal opportunity program; she who would be able to assist Mr. Laughren and I guess all of us. I do not want to get started without him. Is he handy?

**Mr. Haggerty:** Perhaps you want to get your second wind. My question deals with your opening statement, in which you talked about the different committees that were out preaching the gospel throughout Ontario about safe work habits. You spend some \$26 million to support the work of safety associations.

**Hon. Mr. Alexander:** On what page is that, Mr. Haggerty?

**Mr. Haggerty:** It is on page 13 of your opening statement.

This has been going on for a number of years now. There are some fairly large costs involved in trying to promote safety in industries and other places. Is there not a different approach the board should be considering? I have made some suggestions before but I guess nobody was listening.

In our caucus, we have discussed providing an opportunity for new employees. I am talking about youngsters with secondary and even post-secondary schooling. Perhaps the best place to put a good educational program on occupational health would be in the school system; it should be part of their curriculum. Some of the schools that carried a program for driver education were successful and able to assist students when they were trying for their licence. It has been a great help. In fact, I guess it even has reduced their insurance premiums; some companies will do that.

Has the board ever taken into consideration that with the new Occupational Health and Safety Act there should be a program in the schools that starts to educate people at that level? Once a person gets out in the field looking for work and walks into a strange building, he does not know much about it. He may be given a one-hour briefing on some safety manual that may be in the industry, but the kind of program I mean should be in the last year of the school term, or even at

the beginning and gradually grow in the curriculum.

We have had good hygienic programs in our secondary schools. We are talking about occupational health, and I think that is where we should be spending some of that \$26 million.

**Hon. Mr. Alexander:** As a matter of fact, I am glad you raised that point, because it is a factor. I think it is generally known around the secondary schools—maybe it is not, but I think it would be known—that the nine safety associations have devised programs to inform those in secondary schools about what safety means. Your point is well taken. They are doing that now.

I was stopped by some young children yesterday—I guess they are even below the secondary school level—and it reminded me of the good old days when people wanted to get my autograph and there was an opportunity for me to tell those young people who I am. They said, "We hear you are the chairman of the Workers' Compensation Board," and I said, "Do you know what that means?"

I am glad we had that little press conference yesterday because it gave me an opportunity to speak to some youth. They were very young, and I said, "Do you know what the chairman of the Workers' Compensation Board does?" They said: "Yes. You pay people who get hurt." I said: "I want you to go home and listen to your mother and father. Watch when you are crossing the road. Tell your daddy he must be careful at the work place."

I think it was an opportunity for me to touch young people; but to answer your question directly, there is no question about it, that is what the safety education associations are doing. I think the whole role of the safety associations will be beefed up because, as I indicated to you yesterday, we have a new authority. The safety education division that we had in place last year has been taken over by the Occupational Health and Safety Education Authority. As well, there is an advisory council to advise it.

If you recall the speech, I indicated this was a breakthrough because at long last we have a tripartite approach to the whole question of safety education which will augur well in the future regarding safety education and the role of the safety education authority and the fact that the board has the control and will be able to give direction to the nine safety associations. I hope that is encouraging.

**Mr. Haggerty:** I suggest that to you, because I think it is important that it probably should be



even a credit in our high schools. One of the very first things that would be asked of the person seeking employment is, "Have you had any credits given to you in high school related to occupational health and work safety?"

When you look at the number of accidents that occur in Ontario, particularly to new immigrants, one of the problems is the language barrier. There is no doubt about it, even when youngsters leave high schools and colleges seeking employment, there is a language barrier in relation to occupational health and safety.

**Hon. Mr. Alexander:** Right.

**Mr. Haggerty:** To my knowledge that is not taught in any of the colleges—I am talking about new employment for our youth—and I think that should be part of it. Sometimes, as I said, they are hired at General Motors and are given a two-hour course on safety and that is the end of it.

**Hon. Mr. Alexander:** I think Mr. John McDonald of claims wants to say something at this point.

**Mr. McDonald:** There are now two or three programs that have been going on for a number of years. The Industrial Accident Prevention Association has a fairly extensive first-aid safety program in which it encourages participation all across the province. That association has a fairly extensive involvement in that area.

My own son, who is in high school, is in a semester system. One of the things he is taking this year is a life skills course. One part of that life skills course is occupational health and safety and workers' compensation and the role it plays in our community. There are things going on in that area and I am sure you will see greater promotion—

**Mr. Haggerty:** It depends on the school.

**Mr. McDonald:** Yes. A lot of it depends on the individual school board and what it has available for students. I am sure you will see a lot more in that area in the future.

**Mr. Haggerty:** I think it is a good opportunity for us to get into this area and spend some of that \$26 million. I have attended safety award dinners. I think of one in particular at Port Colborne Quarries Ltd. They had a number of serious accidents and fatal accidents. They put on an excellent program to have their employees go into an educational program on occupational health and safety. In less than a two-year period, they reduced their accidents to just about nil. Every year management would come forward and have an annual dinner for about 50 or 60 employees and present the award for good safety

measures or precautions that were taken. The employees were awarded a watch every year.

If you talk to anybody in the industry, he will say, "It is better for us to go this way than to pay that high assessment." Maybe that is where the industry has failed. As much as some members here, I have been very critical of Inco, but it still has one of the best occupational health and safety programs available to employees, and it stresses that point very well.

**Hon. Mr. Alexander:** I think you are quite right, sir. In my short tenure, I have found there is more-enlightened senior management and by that I mean the chairman of the board and/or the president. Before, the direction of the interest was at a lower level. I am finding now that the chairman of the board has imprinted his thoughts with respect to safety.

There was something that was said—I used to use it in some of my speeches—about a dollar invested in safety. This is the bottom line with the employers. A dollar invested in safety will bring back a \$1.60 return. Knowing how management operates, not in a selfish way, they realize that any interest in safety cannot start in the middle; it has to come from the extreme top and it is siphoned down. There has been a change in attitude and it is working.

3:50 p.m.

**Mr. Haggerty:** I suggest that when you are looking at that \$26 million it would not hurt to funnel some of it into the secondary schools and even into some of the colleges.

**Hon. Mr. Alexander:** It gets a little difficult there. I guess what you are asking for is suggestions with respect to how that money can be siphoned off.

With respect to this new authority we have, it is looking at the whole question of the safety education process, as we know it now, by the nine safety associations. This is the sort of thing everyone is interested in: to see that those who are about to enter the work force are advised about creating a more safety-conscious society.

As I have indicated, and as Mr. McDonald has indicated, I am sure, because I have been to their safety association meetings, the Industrial Accident Prevention Association has awarded plaques to young people who have shown their skill with respect to being safety conscious. I think it is something they are really looking at; I am sure that is a fact.

It is a point well taken.

**Mr. Haggerty:** One of the important concerns I have is that members attend the rehabilitation

centre next Tuesday and go through some of the areas—and I am thinking of those persons who have lost their limbs—and take a look to see what happens to those persons.

I was there seven or eight years ago and I saw a young fellow who had lost both legs. I guess he was a brakeman on a yard engine in one of the industries. You have to ask, "Why did it happen?"

I do not want to see that particular part next Tuesday, but if you would take someone else through—

**Hon. Mr. Alexander:** I have been through that.

**Mr. Haggerty:** You know what I am talking about. You have seen it.

**Hon. Mr. Alexander:** It is an eye-opener. Some accept their injuries; I guess it is the makeup of the individual. Some have a positive attitude and others, understandably, do not.

I think it is a question of what occurs throughout the whole therapeutic process they have out there to try to bring back that hope of once again joining society, if one can, and returning to being a productive part of it. I hope you do change your mind, because you will see people out there who would give you a lot of encouragement with respect to what their future can hold. If I had one arm gone, or two legs gone, I do not know what I would do.

It is a real eye-opener and I am glad you are going out there, sir.

**Mr. Haggerty:** I was on the Liberal task force on workers' compensation and travelled throughout the province. We were at Thunder Bay and saw a couple of paraplegics. We saw the difficulties they had in getting around. Sure, they had wheelchairs; one had a motorized wheelchair.

One of the things that really hit home to us was that a worker's spouse had something to say. She presented the brief, looking at the problem from the point of view of the injured worker's spouse. We saw the hardships she had to go through—the husband, who was a carpenter, had lost one arm. We saw the difficulty in getting out of a car and carrying groceries, and even in trying to unlock the door to get in.

His wife said, "I have to do all the things he could do around the house." In fact, she had to go back to work though they have a child of about three or four months old. Through his ingenuity, he designed a new diaper that he could change with one hand—I do not know what it was, but it was a technique anyway. I told him he ought to have a patent on it; it worked out very well.

He changed the door knob on his home so he could unlock it with just one hand, instead of trying to hold the knob with one hand and put a key into the lock with the other and turn it. He designed all of these things.

In both instances those men would have been only too happy to get back into the work place, but being in wheelchairs it was difficult.

I know vocational rehabilitation was active in one part of it, but too often we forget to look at the family structure itself, the impact on the family as a whole, when a person has lost a limb or limbs. There is hardship caused in that alone.

**Hon. Mr. Alexander:** As to the hardships, sir, I do not want to be offensive when I say that from different cultures the man has been the breadwinner and when that man has been reduced to, let us say, a nonentity as a result of an injury, it is a very traumatic experience for the family because of the cultural background. I am very much aware of what you are saying and my heart goes out, because I just say, "There but for the grace of God go I." I know what your concern is and I share that concern.

**Mr. Haggerty:** I do not know if anybody at the board level—I am sure there may be the odd one—takes into consideration the difficulties a family faces. Yet we do not say compensation should go beyond that.

As his wife had indicated, there were things she had to do. Even though she was out in the work force, there were things she had to go home and do that her husband could do before. He cannot get out to shovel sidewalks and things like that. He cannot do it with only one arm. There is no consideration of additional compensation in this area.

I think there are cases under the Workers' Compensation Act that have gone to appeal in which a spouse has provided almost continuous nursing care.

**Hon. Mr. Alexander:** That is care allowance.

**Mr. Haggerty:** That is right. But in this area, nothing. The hardship of getting into or out of a vehicle. I think of a young chap I did some work for on compensation and the board did pay for a van so he could get his wheelchair in and drive it. The man is paralysed from the waist down. He was working in a fabricating shop and some equipment came down. He is still working. He is a welder. They made a special bench for him so he could work there. He is only 23. Again, he has the get-up-and-go. But for how long? Who knows?

**Hon. Mr. Alexander:** Right, very sad.



**Mr. Haggerty:** There are certain cases in which these people can do it, but there are a number of cases where the injured worker just gets down and out from the red tape. Mr. Lupusella has mentioned the delays in getting payments to come through without giving them a hassle.

For example, a person gets the supplement and then somebody decides he should be taken off and he should be put on vocational rehabilitation. That does not work out very well. Then he goes back on the supplement again. But he is then reduced by 50 per cent. It is hard for these guys to take it.

I thought, too, that your opening statement might have been a misinterpretation. I will not say you misled us, but you said there were 164,000 new jobs. Looking in more detail—

**Hon. Mr. Alexander:** I do not think I touched on jobs.

**Mr. Haggerty:** Not jobs, but the number of employees covered under the schedule.

**Hon. Mr. Alexander:** It was 164,000 or something?

**Mr. Haggerty:** Yes. The impression is they were new jobs.

**Hon. Mr. Alexander:** Oh no, I thought I said "employers." I do not know what page that is.

**Mr. Haggerty:** I thought you said "employees," as an indication that the economy has turned around.

**Hon. Mr. Alexander:** No. On page 22, the estimated payroll recorded by schedule 1 increased slightly to \$41.8 billion in 1983 from \$40.8 billion in 1982. The number of employers covered under schedule 1 rose to 164,000 in 1983 from 160,000 in 1982.

**Mr. Haggerty:** I got the impression that was a total of 164,000 new employees. But if you look at it a little bit further, it is up from 160,000. That is the point. I thought the air should be cleared about that.

**Hon. Mr. Alexander:** It rose to 164,000. In other words, 4,000 more employers are involved in 1983 than there were in 1982.

**Mr. Haggerty:** That was not the way I interpreted it. From the comments of one of your colleagues, I understood that, due to the economic turnaround, it was 164,000 new employers and really it is 4,000.

**Hon. Mr. Alexander:** That is right. I am sorry if I left that impression.

**Mr. Chairman:** Can we get back to Mr. Lupusella now to finish off his opening remarks?

4 p.m.

**Mr. Lupusella:** I am going to get some answers later on, maybe tomorrow or next week.

I have another set of concerns I would like to raise on behalf of the Association of Injured Workers' Groups in relation to a letter sent to the chairman of the board dated January 23, 1985, signed by Nick McCombie for the organizations forming AIWG. I think the request made by the association is a legitimate one.

**Hon. Mr. Alexander:** I get so many letters. Which one are you reading? What is its content?

**Mr. Lupusella:** It is in relation to the January 14, 1985, issue of Canadian Occupational Health and Safety News which carried a cover story concerning a new standardized reporting form developed by the board.

**Hon. Mr. Alexander:** Yes, I can recall that now. I do not know whether I have answered that letter yet, but if I recall correctly, that was a reporting form that was for the use of employers. It really has nothing to do with the injured worker and/or employee. Perhaps someone else knows more about this.

**Mr. Warrington:** That form, Mr. Chairman, was developed by the safety associations. I believe there was concern on the part of Mr. McCombie that our Dr. McCracken was instrumental in evolving that new form. That is not so.

He was called in, as was Mr. Kerr, for consultation. The committee that came up with the form was in combination with the safety associations. It was not really the board in that context.

**Mr. Laughren:** What is the difference?

**Mr. Warrington:** They do these things on their own, not necessarily with our—

**Mr. Lupusella:** Okay, that is good enough. I would like to pursue this letter because it has wide implications, besides the given explanation saying it does not affect injured workers.

The lead to the story expressed "concern over poor communication among injured workers and their personal physicians and their employers," thereby identifying the three groups involved in reporting to the board. The story then details how the board, having identified three groups, decides to seek input from two of them in correcting a perceived problem. Guess which group is again left out of the consultation process? The AIWG.

At a time when the government has clearly indicated through the Bill 101 process the need for greater involvement by outside parties in the operation of workers' compensation, the WCB has again ignored the views of injured workers.



The AIWG, representing the coalition of injured workers, the Union of Injured Workers and the clinics representing injured workers were not consulted in this process. We are, quite frankly, appalled that the current administration continues to treat its client group with such a patronizing attitude.

A clear implication of this action is that the board considers injured workers totally unworthy of contributing to improvements in the system. Several years ago, the former registrar of appeals sought input from various groups, including injured workers and their representatives, in assessing the access-to-files policy of the board. At that time we ventured to hope that a new enlightened era of communication had begun. Clearly, the registrar's action was an anomaly.

**Hon. Mr. Alexander:** That is correct.

**Mr. Lupusella:** Besides that issue, I bring the attention of the chairman to another issue raised by Canadian Occupational Health and Safety News involving the employers in relation to the form. There are complaints about poor communication and injured workers being left out of the process. When a decision is made by the board, there are other people consulted, but the Association of Injured Workers' Groups, the affiliated organization representing injured workers, rarely is. I am wondering why such procedures are consistently applied. They are a very well recognized group.

**Hon. Mr. Alexander:** I do not know where you get the idea we do not consult. I met with them within this past week.

**Mr. Lupusella:** Are you denying the content of the letter?

**Hon. Mr. Alexander:** I am trying to explain, as stated by Mr. Warrington, that we had nothing to do with that. This was a matter brought up by the council of safety associations, which was devising a reporting form from the employer to the doctor. We were called in. I do not know why, but I do not want the impression left, as it is in that letter, that here is further proof we do not consult the injured worker. We had nothing to do with it. Mr. Reilly will carry on from there. I will reply to the letter. Unfortunately, they were misinformed about what the board had to do in that situation.

**Mr. Lupusella:** You appreciate my position. There was no reply coming from your office, so I did not have any idea whether you were aware of the issue. I did not have your side of the story.

**Hon. Mr. Alexander:** I am glad you brought it to my attention so it can be cleared up. Their

letter came on January 22. A reply went quite quickly, on January 23, to Mr. Barlow. I acknowledged it on January 25 and said, "You can be assured this matter will be brought"—I was not around; I guess that was Miss Giacometti—"to his attention upon his return, and he will no doubt be responding to your request in the near future." I had intended to look into the matter—no, wait a minute. That is another one.

**Mr. Lupusella:** I will bring the other matter.

**Hon. Mr. Alexander:** Here it is. I cannot tell the date I received it. I acknowledged it on January 25. Miss Giacometti wrote to Mr. McCombie on January 25, and I have not had an opportunity to get the reply. It is being drafted for my signature. You have asked what it is all about, so you know that, and the reply will be similar to the explanation here this afternoon. We have nothing to do with it. Mr. Reilly wants to add something further.

**Mr. Lupusella:** This is clear evidence that the criticism I brought to your attention last year was not even heard by the board. You know that person, L. Giacometti. I do not know who she or he is.

**Hon. Mr. Alexander:** It says on the top of the letterhead, "Miss L. Giacometti, executive assistant to the chairman."

**Mr. Lupusella:** Okay. In this particular instance, there is identification—

**Hon. Mr. Alexander:** There always is with my correspondence.

**Mr. Lupusella:** —because the letterhead shows it comes from your office, but if the same letter were coming from different branches of the board, one would not realize what the name was and how to reply to that person.

**Hon. Mr. Alexander:** Are you talking about Miss, Mr. or—

**Mr. Lupusella:** Whatever.

**Hon. Mr. Alexander:** I have that same problem, but I think on the letters you receive from the board, there are titles. There are certain people at the board who have personal stationery. I do not know where it stops; I guess it is with executive directors. After that, I am not too sure. When people from the board write to injured workers or their representatives, there is a designation of their title on either the left or the right after they sign. I do not follow the point.

**Mr. Lupusella:** The point is that in this letterhead you can easily read the classification "executive assistant to the chairman" and "Miss L. Giacometti." In other correspondence you do

not have all these denominations around the name.

**Hon. Mr. Alexander:** It is probably at the bottom.

**Mr. Lupusella:** In so many letters there is just the initial, a given name, the family name and nothing else.

4:10 p.m.

**Hon. Mr. Alexander:** All right. Then your point is well taken, but I think we all have that problem. I do not want to get involved discussing the Department of National Revenue, with which I have been in contact of late. I resent the way they do it. They do not even sign anything. They just send you a form, number something or another.

**Mr. Laughren:** Only to tax evaders.

**Hon. Mr. Alexander:** No, no, sir. I am just trying to tell them they were wrong in their assessment of the old chairman. I am right in the long run, too.

In any event, I think I know what you are saying. Once again, I say I think most, if not all, of our letters have some designation on the bottom. Not everybody has the luxury of having his title at the top of his letter.

**Mr. Lupusella:** Your office has that, but most of the departments of the board do not have it.

**Hon. Mr. Alexander:** I do not know where it stops.

**Mr. Lupusella:** I do not know myself.

**Hon. Mr. Alexander:** Here is a sample of a letter to Mr. Haggerty.

**Mr. Haggerty:** Always obliged to help.

**Hon. Mr. Alexander:** It gives the name of the person. Fortunately, this time it says "Mrs." Sometimes it is only signed, "T. Smith." I have a problem trying to know if it is Mr. Ms. or Miss. This one says, "T. Lucaze (Mrs.), supervisor of appeal services, appeals."

**Mr. Lupusella:** I think it is silly, if you have to make comments on a letter which I addressed to you and you are unable to realize whether the person writing to you is a male, female or what.

**Hon. Mr. Alexander:** That one said "Mrs."

**Mr. Lupusella:** In some there is, but I am telling you that in others that are signed there is no designation.

**Hon. Mr. Alexander:** I think your point is a good point because I get frustrated, if you will, with other government agencies when I cannot determine to whom I am supposed to write, whether it is a Mr., Ms. or Mrs.

**Mr. Lupusella:** I am not as concerned if it is Ms. or Mrs. I want to know—

**Hon. Mr. Alexander:** I am because I have the letter.

**Mr. Lupusella:** I have to mention I want to know whether that person is a male or female, so at least I do not make mistakes about that.

**Mr. Chairman:** Do you sign your letters as "Mr. T. Lupusella"?

**Mr. Lupusella:** "Tony Lupusella."

**Mr. Chairman:** Okay. That does it.

Interjections.

**Mr. Laughren:** Could I have a supplementary on this?

**Hon. Mr. Alexander:** I think Mr. McDonald brought to our attention a letter which shows that your concerns have been addressed by the board. Why do you not admit you are wrong?

As a classic example, it says "T. Lucaze (Mrs.), supervisor" of something. Now you know that is right.

**Mr. Lupusella:** I do not do that.

**Mr. Chairman:** Mr. Laughren would like to clarify everything by asking a supplementary.

**Mr. Laughren:** I would like to go back to what started the form. What is this form I hear about? Does the board have a copy of this form?

**Hon. Mr. Alexander:** I do not know. Perhaps Mr. McDonald can answer that.

**Mr. Laughren:** Does it have one?

**Mr. McDonald:** Yes, sir.

**Mr. Laughren:** Can we see that?

**Mr. McDonald:** Yes, sir.

**Mr. Laughren:** Tomorrow or Tuesday?

**Hon. Mr. Alexander:** Yes. We will undertake to give you a copy of the form.

**Mr. Laughren:** I would be interested in seeing the form. That is what is causing the problem.

**Hon. Mr. Alexander:** I think the problem is that certain people thought we were ignoring the injured worker. We had nothing to do with it, sir.

**Mr. Laughren:** I understand that. I am just interested in seeing it.

**Mr. Warrington:** You are under the impression that this is a replacement or a major change to forms 7 and 8 in particular. In fact, it is not. It is a new form altogether that involves the medical doctor and the employer and it was devised to give additional information.

**Mr. Laughren:** Very good.



**Mr. Reilly:** The form, by the way, was a joint effort between the Ontario Medical Association and the council of safety associations. The purpose of the form was for employers to advise the attending doctor of what type of work would be available when the person returned to work, so the doctor could use his judgement as to whether the person would be able to go back to that particular function.

The form was designed in conjunction with those two groups. Dr. McCracken and Mr. Kerr did see the form because we have a committee that has met in the past with the Ontario Medical Association. It was through that that we saw the form. But it is a form designed jointly by those two groups to be used by the employer to advise the attending doctor. It has nothing to do with the injured worker with respect to the worker having to fill in the form or anything else—absolutely nothing.

**Mr. Laughren:** Do Mr. Kerr and Dr. McCracken still work for the board?

**Mr. Reilly:** No.

**Mr. Laughren:** Neither one of them?

**Mr. Reilly:** This was back about a year and a half ago or whatever it was. This was not yesterday.

**Mr. Laughren:** But do they work for the board? Is Dr. McCracken still employed by the board?

**Mr. Warrington:** He is paid by the board. Is that what you said?

**Mr. Laughren:** That is what I asked.

**Mr. Warrington:** Yes, he is paid by the board.

**Mr. Laughren:** And Mr. Kerr has retired and is freelancing out there?

**Mr. Warrington:** I cannot answer about Mr. Kerr, Mr. Laughren.

**Mr. Laughren:** Sort of a WCB executives' heaven, the Senate to the WCB. The reason I ask is that this whole question of—

**Mr. Haggerty:** Patronage?

**Mr. Laughren:** Do not mention patronage in the presence of Mr. Alexander.

**Hon. Mr. Alexander:** I do not mind. I understand it and so do you. If and when you are ever fortunate enough to enjoy the luxury of power, you will be doing the same thing.

**Mr. Gillies:** That is right. Tony will be the chairman then. Sorry, Mr. Lupusella.

**Mr. Lupusella:** For friends my name is Tony.

**Mr. Gillies:** We will be over here and questioning you.

**Mr. Lupusella:** I will keep him under control.

**Mr. Riddell:** George Samis will be the first candidate.

**Mr. Laughren:** I asked the question about Dr. McCracken and Mr. Kerr because I want to know how they would become involved with this council of safety associations.

**Mr. Reilly:** Several years ago we had what we called a problem-solving committee between the board and the Ontario Medical Association. There were certain problems with the payment of medical aid payments and stuff like that, and this committee was formed to deal with these problems for the association. In the course of it, this form did arise. I believe I was there or I did see the form at that time. I would say this must be two years ago. Mr. Kerr has been retired for the last 18 months; so it must be at least two years since that form came into existence.

**Mr. Laughren:** It leads me to ask another question. What are the rules or the guidelines concerning WCB executives who retire? Are there any rules on whom they go to work for then, as there are at the political level?

**Hon. Mr. Alexander:** This question was raised last year, and I thought we said we would look into it. I know in human resources right now, as I understand it, a whole new division of conflict-of-interest guidelines, if I can use that expression, is being devised to delineate what you can do and what you cannot do.

Then I think Mr. Tim Armstrong at the same meeting—and it was here—also said we must look into the Public Service Act or something to see whether the guidelines of that act would fit us.

**Mr. Laughren:** But right now there are no restrictions.

**Hon. Mr. Alexander:** I do not really think there are any restrictions.

Interjection.

**Hon. Mr. Alexander:** Mr. Cain says there is a policy. Maybe he would like to volunteer that information. I am not very sure of that policy.

**Mr. Cain:** I am simply saying I believe there is a policy or that it is in the process of being developed.

**Hon. Mr. Alexander:** That is what I said. A policy is in the process of being developed because it was raised here last year by Mr. Mancini. I think there should be some sort of guidelines, whether under the Public Service Act



or whatever, to say who can do what after he severs a relationship with the board.

**Mr. Laughren:** What flashed before my eyes was a picture of Mr. Darnbrough heading Inco's rehab department.

**Hon. Mr. Alexander:** Moving along, as they say, Mr. Chairman.

**Mr. Lupusella:** Yes. Moving along, I would like to bring to your attention—

3:20 p.m.

**Hon. Mr. Alexander:** May I interrupt just for a minute? I brought one of my officials over here because of a question raised by Mr. Laughren, and I would not want her to leave after having sat here for a couple of hours. It is with respect to the whole equal opportunity program.

Do you mind, Mr. Chairman, if Andrea Hagan comes to the front to discuss—

**Mr. Laughren:** Who is it?

**Hon. Mr. Alexander:** Ms. Andrea Hagan.

**Mr. Haggerty:** She is one of the 38 per cent.

**Hon. Mr. Alexander:** She is the co-ordinator of the human rights and equal opportunity program at the board. I do not think she was here when I told you my executive assistant is a woman, the secretary of the board is a woman and there are a number of breakthroughs.

**Mr. Laughren:** I was chiding the chairman about the numbers. Every year, when the Workers' Compensation Board appears before the standing committee, we are surrounded by grey-suited males. It seemed to me there must be some women at the senior levels of the board, given the way society is changing and given the consensus in society that this must not be allowed to continue and that women should be filling senior roles in such places as the Workers' Compensation Board.

We did not think changing the name from "workmen's" to "workers'" was adequate. We thought there should be further changes. In response, the chairman said there were changes at the board and he was proud of them. We ended up agreeing that we should then be able to have names attached to the organization chart on page 4 of the annual report of the WCB so we could have a sense of how dramatically the changes were occurring. In that way we would not sit in judgement on, but would be able to commend the chairman for, the changes taking place at the board. Does that bring you up to date as to why you are here?

**Ms. Hagan:** Yes, it does. To respond, I think the figure of 38.92 per cent has already been

raised as the representation of women in the management and senior administration scale at the board. To define that further, what we have done is to divide the scale to have a representation of who is at the bottom or junior level, the middle level and the senior level you referred to. They would be the people who might be on this chart.

To break that down, in 1983 we had 57.9 per cent of the junior management and senior administration scale held by women. In the middle level—

**Mr. Haggerty:** That is not fair, is it?

**Mr. Laughren:** Wait for it, Ray.

**Ms. Hagan:** In the middle level, the representation of women is at 30 per cent.

**Mr. Laughren:** Is that better, Ray?

**Ms. Hagan:** At the senior level, the representation is at 12.2 per cent. If we were to put names on this chart, there would not be many women's names among such positions such as executive director because not many positions are held by women at that level. However, if you look one step below that level, you realize there are women in that position and that they are making progress towards the top management level at the board. That is demonstrated by the 1983 breakthroughs. I do not know whether you are familiar with the use of the word "breakthrough."

**Mr. Laughren:** Not in this context.

**Ms. Hagan:** To share that with you, breakthroughs include hirings, transfers, promotions and/or reclassifications that contribute to an improvement in the board's occupational status or distribution of women employees. In 1983, one of our breakthroughs took place at the senior level, and another five breakthroughs took place at the middle management and senior administration scale level.

To add to that, our 1984 statistics show there is an increase in each of the breakdowns of the management and senior administration scale. In addition, there are an additional six breakthroughs; two of those are at the senior level and four are at the middle level.

**Mr. Laughren:** Do we know what percentage of women is employed at the board in terms of its total employment?

**Ms. Hagan:** Yes. Of all the employees within the organization, women make up 63.1 per cent of the represented employees.

**Mr. Laughren:** Is that of the total?

**Ms. Hagan:** That is everyone in the organization.

**Mr. Laughren:** How long has this women's co-ordinator position been there and how long have you been there?

**Ms. Hagan:** I have been there since April 1983. The position has been in existence since 1975. It has changed its name as different activities have been added to the program.

**Mr. Laughren:** I do not think you are responsible for assignments or for determining who has these senior jobs. You are there to promote—

**Ms. Hagan:** To facilitate.

**Mr. Laughren:** To facilitate.

**Ms. Hagan:** That is correct.

**Mr. Laughren:** I understand that. If you were to put names on this chart, would it be easy to do? Do you know all these people and who is in charge of each of these areas? I think it would be unfair to ask the chairman to list who is in charge of something like actuarial services. I would not expect the chairman to know that.

**Hon. Mr. Alexander:** He was here yesterday. He was talking about unfunded liability.

**Ms. Hagan:** As I understand it, your question is whether I can put names to the people here. I could to a certain extent. Perhaps we can look at the level of appeals adjudicators, which is under registrar of appeals.

**Mr. Laughren:** I cannot find it.

**Ms. Hagan:** It is on the right-hand side. There are two women in the position of appeals adjudicator.

**Mr. Laughren:** How many adjudicators are there?

**Mr. McDonald:** There are 16.

**Mr. Laughren:** Are these the ones who travel around? I have met one.

**Ms. Hagan:** Noani Holsmer.

**Mr. Laughren:** You should not have asked. I have forgotten. I appeared before one in Sudbury.

**Ms. Hagan:** There is also a breakthrough in actuarial services; there is an actuarial analyst. I do not have a complete listing of all women in the senior positions. I can get it for you.

**Mr. Laughren:** Where it says "adjudicators," it means a number of people. There are titles here such as assistant general manager. Then you get into something like financial services division; that is not a person because it is not a title but a division. This chart is difficult in that way. That

is why I originally asked the chairman for an organization chart of the board that had actual positions rather than divisions. I assume it would not be difficult to provide that to the committee.

**Hon. Mr. Alexander:** I think we can get it. I do not know how long or how thick it will be. It will depend on how far down you want it to go.

**Mr. McDonald:** Do you just want this chart with the names on it?

**Mr. Laughren:** No. I will give you an example. I do not want to confuse the issue. Let us look under appeals adjudicators, to use the example Ms. Hagan used. Is someone in charge of adjudication?

**Mr. Warrington:** Yes.

**Mr. Laughren:** Who is that? What is it called?

**Mr. Warrington:** It is called manager of appeals adjudicators.

**Mr. Laughren:** Is that you?

**Mr. Warrington:** No.

**Mr. Laughren:** Okay. That is really what I am saying.

**Mr. Warrington:** Of the three managerial positions in appeals, and that is one of them, two are women and one is a man. You have identified the male.

**Mr. Laughren:** When did I identify the male?

**Mr. Warrington:** I just identified the manager of appeals adjudicators, who is a male.

**Mr. Laughren:** Why is this so difficult? Perhaps I know why; I do not want to know. All I am asking for, and it is quite common in organizations, is to have an organization chart with the senior divisions and the director, manager or whatever of each division.

**Hon. Mr. Alexander:** Do you want it down to the manager level?

**Mr. Laughren:** Yes.

**Hon. Mr. Alexander:** All right.

**Mr. Laughren:** Thank you. I feel I have just made a breakthrough.

**Hon. Mr. Alexander:** We will get that for you, Mr. Laughren. I do not see any problem with that.

**Mr. Laughren:** Thank you. I am very glad you are there.

**Ms. Hagan:** Thank you.

**Mr. Chairman:** It is now 4:30 p.m. We will come back tomorrow morning at 10 o'clock, when Mr. Lupusella can wrap up his opening statement.

The committee adjourned at 4:30 p.m.

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No. R-50

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1983

#### **Fourth Session, 32nd Parliament**

Thursday, February 7, 1985

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, February 7, 1985

The committee met at 10:10 a.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983 (continued)

**Mr. Chairman:** Committee members, we are ready to start. We parted yesterday with Mr. Lupusella probably in the latter stages of his response to Mr. Alexander's opening statement. We will carry on from that point.

**Mr. Lupusella:** Mr. Chairman, I have brought to the attention of the chairman some of the letters that have been sent to him. There was another letter that was related to public education at the Downsview rehabilitation centre. This was a letter sent to you, and later you forwarded the same letter to the attention of Mr. Alexander.

This letter comes from the Association of Injured Workers' Groups and it is signed by Brian Cook. Generally speaking, the contents of this letter emphasize that this group must have access to the Downsview rehabilitation centre to make sure there is an opportunity to talk to injured workers about changes in the act.

I think this is a very useful and educational exercise, even though I understand very well how strongly the chairman feels about this issue. He does not want to see disruption taking place within that institution. I am sure he is of the opinion that if access is granted for this purpose, eventually the social environment up there will be jeopardized. I do not know if I am interpreting your feelings correctly, but I think that is where you stand.

**Hon. Mr. Alexander:** You are getting close.

**Mr. Lupusella:** At any rate, there was no reply to this letter, even though I understand your office is working efficiently. This letter was written on January 22, 1985.

We all understand the importance of educating injured workers about Bill 101. The principle of the law does not admit ignorance. When we live in a society, I think we have to make sure that ignorance will disappear. The problem is not that injured workers are unwilling to learn the process or that they reject the principle of learning the law; it is that they do not have access to the resources to know the principle of the law.

The Association of Injured Workers' Groups is a bona fide association. If, from time to time, access is granted, with some limitations so that order will be maintained, and if public relations on the part of this organization take place at hours when the therapy program, interviews and meetings between patients and doctors are not in progress, I think their request should be granted.

I understand the concern of the chairman of the board, as I stated previously, but I think, with certain guidelines and regulations, their request should be granted.

**Hon. Mr. Alexander:** Would you like me to direct my attention to that matter now? Yes, you are right; they did write to me on January 22. I acknowledged it very early, on January 25—at least, my executive assistant acknowledged it—and the matter has been brought to my attention.

You have indicated that it makes sense to you. With all due respect, I think you have conveniently forgotten that this is only one organization. I could name a number of organizations, including the law profession, that are a little miffed. The last time we had a problem—not like this; rather, another organization wanted at the time to use the hospital and rehabilitation centre—this became a real concern of ours. We had to approach the Ombudsman in the long run; he was brought into the picture and we set down certain guidelines.

This is no amphitheatre; this is no place that the general public can use as a means of furthering its own particular ends, and I say that without any malice aforethought. This is a rehabilitation centre. People are out there taking therapeutic treatment and all forms of treatment in order to see to it they are returned to the work force as early as possible.

Here you have one group out of countless numbers—I do not know how many there are in the province—that says it would like to go. Why? The letter, as I read it, says it wants to inform the patients, if you will, who are at Downsview rehabilitation centre. You know they move in and out; I think the optimum time is something like 19 weeks.

I guess I am replying to this letter now. I had a feeling it was going to be raised. I know they pass these things on to you because you are their

spokesman, more or less, and I do not mean that in a very offensive way. I was going to answer it, so I guess I might as well answer it now.

Before giving you my final thought on it, I want to bring Mr. Gordon Haugh here. He is the executive director of communications, and his job is not only to let personnel within the board know what is happening now with Bill 101 but also to see to it that the whole province knows what Bill 101 means to employees, to employers and to possible injured workers; and more particularly in this instance, he will have knowledge of what we are going to do at the hospital.

We are developing a process that I think will bring commendation from you because we realize this is a very important step in the compensation system. It is one that has not happened before, as far as I know. It is a really massive change, and it is incumbent upon the board and on the ministry as well, I guess—where is Mr. Gillies?

**Mr. Chairman:** He may have an appointment.

**Hon. Mr. Alexander:** In any event, I think it is incumbent upon us, the board, in the first instance to brief everyone who can possibly be involved in the changes under the bill, including people at the Downsview rehabilitation centre.

I think we have the expertise. I do not think we have ever fallen short with respect to briefing people on the outside about changes in how the act works. We have people at the board who are continually moving across this province. I do as well. I intend to speak—I do quite a bit of that, as you know—when the bill is proclaimed in April or July. I will be going across this province advising people, going on radio and television and attending forums upon request, or those that we can arrange.

So until such time as you find that we do not have the capability, do not have the expertise or are falling short with respect to the mandate we have in communication, I hope you will allow us to get on with the job that I think is properly ours. I do not know what the Ministry of Labour has to do in this regard, but I think it would perhaps have a role.

After all of that, I see Mr. Haugh sitting at the table.

10:20 a.m.

**Mr. Lupusella:** Before he comments, and because you are already, for your own reasons, denying access to particular organizations for the purpose described in that letter, if I can make a suggestion concerning your plan—my friend the

member for Nickel Belt (Mr. Laughren) would call it a “reasonable amendment”—

**Hon. Mr. Alexander:** A reasonable amendment?

**Mr. Lupusella:** However, that is not part of the legislative process, so it will be a reasonable suggestion I would like to make.

I know you and the board are trying to brief employers across Ontario—

**Hon. Mr. Alexander:** And others.

**Mr. Lupusella:** I know you are doing this job and doing it well.

**Hon. Mr. Alexander:** Thank you very much.

**Mr. Lupusella:** You see, I am even giving an compliment.

**Hon. Mr. Alexander:** Again, thank you.

**Mr. Lupusella:** The board has also been calling seminars to brief employers—

**Hon. Mr. Alexander:** And others.

**Mr. Lupusella:** —about the system, about papers and other matters.

**Hon. Mr. Alexander:** Always add the “and others,” sir. I see what you are doing, but you have to be open and frank with this committee.

**Mr. Lupusella:** Will the board undertake a particular task: to do the same thing with injured workers across Ontario? I do not think my request is unreasonable. If you are going to do that, there is no need for the organization to have access to the rehabilitation hospital. If the board accepted my suggestion and recommendation, you would have to invite representatives of injured workers to talk to injured workers about the system, the new law and legislative changes and so on. Am I asking something unreasonable?

**Hon. Mr. Alexander:** That is a suggestion we will give very serious consideration. You have indicated to us that in our travels we should have, by way of advertisement, radio, TV, an indication in local areas that we are going to be there; for example in the city of Hamilton.

**Mr. Lupusella:** Okay. I accept that proposal.

**Hon. Mr. Alexander:** Everyone is invited to come, and so on. I will just say that is worthy of serious consideration, but I would like to hear what Mr. Haugh has to say.

**Mr. Lupusella:** I would like to make an extra addendum to this serious consideration.

**Hon. Mr. Alexander:** Another addendum? All right.

**Mr. Lupusella:** Besides the advertising process you are eventually going to undertake to alert injured workers that the board will be at a



specific location, talking about the new law and the system and so on, could you make sure they receive a notice of such events in their cheques? Instead of paying money to the radio and television stations, which can be done as well, I suggest having a letter with specific notice advising injured workers' organizations to see if they wish to participate. I do not think what I am asking for is extremely unfair.

**Hon. Mr. Alexander:** No. It just depends on what the logistics are, sir. We are sending out cheques periodically; weekly, monthly and so forth. I do not know whether what you are saying is possible. Let us say it is something we shall also consider. I cannot say yes now because I am not too sure of just how it would work.

In the meantime, I have Mr. Haugh, who has heard all the representations from you and me. Mr. Haugh, is there anything you could tell us regarding the communications division?

**Mr. Haugh:** Yes. First, in answer to Mr. Lupusella's first and primary question about any particular group putting on a seminar at the rehabilitation centre, or at any other board premise, we have an obligation not only to the 700 people who might be at the centre that day, but to all the injured workers in the province to inform them about what is in the bill. It does not affect only people who will be injured after April 1.

The primary problem I think you are addressing and that we have recognized is how to deal with those injured workers who had their accident before Bill 101 comes into effect and for whom the changes are more subtle. Let us face it, an advertising program that deals with Bill 101 is going to talk about the change to 90 per cent of net and those kinds of features of the bill, if you like. The changes for people who are already injured are a lot more subtle, a lot more difficult to communicate, but it has to be done.

The people who have been denied benefits because of the Canada pension plan problem and who now perhaps are eligible, the older workers who perhaps now are eligible for certain services; those eligibility things have to be communicated to those workers.

We looked at the various programs that were available and we did look at messages in cheques. In fact, the communications division designed a number of messages that could go into cheques, keeping in mind that we have to use a minimum of four languages for any message—English, French, Italian and Portuguese, which are our primary languages, have to be in

any message—and that the message has to be understandable.

One of the problems we faced in trying to design that message was that in any given cheque run, different people are affected by different parts of the law. You cannot make the blanket statement, "You are going to get a five per cent increase on April 1." As you know, that does not affect everybody, because the ceiling is not changing. The Canada pension plan provision does not affect everybody. We did not want confusion among the injured workers. We wanted to explain it in a way that was understandable and we felt that a message on the cheque, because of the limitations of space and the number of languages, could cause confusion.

The solution we are building right now is to use what has become a pretty wide medium in the province, the community cable television stations. We are putting together a videotape program, which will be in four languages and will be available to those stations, that talks to the people who were injured before April 1 about the changes that may affect them. It will be advertised locally as it is available and as we get the schedules from the cable companies.

We hope it will be repeated, as is usual with cable companies. We may not necessarily be able to advertise every program because, as you know, they use those again and again and that is to everybody's advantage. But we will be attempting to get the schedule so that we advertise whenever we can when that program is going to be on the local networks.

Cable does not cover the whole province, we know that. We get tremendous co-operation out of some of the stations in the areas where there is no cable, and we are going to try to make sure that program is run. We will try to look at the coverage. If it is not there, then we will certainly go out personally to run conferences. If we run a conference in an area, even if it is advertised, we may not get as broad a reach as we think we can get by using the electronic media in that way.

That is the program we are putting in place. We think it is going to be very effective. Certainly we are going to have to gauge the understanding and the reaction after the use of that medium, and if it is not effective we will be using something else.

Our problem is that we do not want to have to take the amount of staff time that would be involved to explain to every injured worker who comes in all the ramifications of the bill. We want to do that in a public way, using cable television and using the advertising media, so



that when people come in they are familiar with their rights under Bill 101 and we can get directly to solving the situation they bring us. That is the focus of the program directed at those workers. Of course, that is not all the advertising we are doing with regard to the changes, but that is what we are directing at that group.

**Mr. Laughren:** That does not answer his question.

**Mr. Lupusella:** I support this primary approach to making injured workers knowledgeable about the changes, but what I am asking for is direct contact between the board and injured workers. As I stated before, the chairman and the representatives of the board have this direct contact with employers through seminars and so on. I would like the same process to be implemented for injured workers and I would like the injured workers' organizations to be invited to speak as well.

**Mr. Haugh:** Sure.

**Mr. Lupusella:** I am not denying what you are doing; I am not rejecting this primary approach you are using, which is the media contact. But on top of that I would also like you to do what I have been suggesting, because I think it is fair game. You are doing it for the employers, and injured workers should get the same service.

10:30 a.m.

**Mr. Haugh:** Mr. Lupusella, I would like to correct something. You talk about running seminars for employers on an ongoing basis. Quite frankly, we run seminars only for those people who ask us to run seminars, because the list is so long that we are not going out all the time looking for speaking platforms.

I have a list in front of me of invitations we are trying to fill at present: the Food Retailers' Safety Group, the Injured Workers' Consultants of Toronto and the College, University and School Safety Council of Ontario. Then we get down to the annual Ontario conference of the United Auto Workers, the United Steelworkers of America. Then we are in to companies again: the employees of Wardair and Warren K. Cook Ltd. We are getting a diversity of invitations that we are trying very hard to meet and, as you know, the demand is very high. It is a time of change. By no means is the list limited to employer groups.

**Mr. Lupusella:** Of course, you have your plans of communication. Employers is one target.

**Mr. Haugh:** The employers are very important because they have to know about paying for

the day of the accident. That is a message we have to get out. We are going to start getting that out with a very intensive campaign starting in the middle of March. As you know, the employer is responsible for paying benefits and salary on the day of the accident.

**Mr. Lupusella:** Do not go too far on payments and premiums coming from the employers because I am talking on behalf of the victims of an accidents. I am not placing any blame.

**Mr. Haugh:** That is why they are victims.

**Mr. Lupusella:** Whether or not the employer was responsible for the accident, I think we should play a fair game.

**Mr. Haugh:** We are, sir. As you know, that change is for the victims. The day of the accident has not been paid before. The employer is responsible for paying for the balance of the shift and the benefits for that day. That message has to get out very clearly that workers are entitled.

**Mr. Lupusella:** Am I denouncing that approach? No. It is part of a long-range program which I am not criticizing or rejecting. I am asking for something extra for injured workers. I approve what you are saying and doing, but I want injured workers to have a forum between the board and the representatives of injured workers so the workers will be briefed about what is happening to Bill 101. It is as simple as that. The message is very clear. My recommendation has been very clear as well.

**Hon. Mr. Alexander:** Mr. Lupusella, let us just hear from Mr. Doug Cain, who has been involved with injured workers representatives and unions in the past couple of weeks regarding the same point you are making now. The representatives have asked us to brief them about the implementation of Bill 101, and I believe we have done that. Mr. Cain, I know you can help us out with this matter.

**Mr. Cain:** In the last month the counsellors in John McDonald's division have met with the UAW for two days to describe and explain Bill 101 so that they, as representatives of injured workers, can assist them with their claims and also carry the message of the bill to the workers at their own seminars.

In addition, as Mr. Haugh just mentioned, we will have seminars across the province with this union and other unions to describe Bill 101 so they can keep their injured workers informed. Getting to the injured workers through their representatives is very effective.

As far as the Industrial Accident Victims Group of Ontario is concerned, we have met with

them twice in the last month. Mr. Sam Van Kleef, myself and an actuary met with them to discuss their concerns on Bill 101, and I am sure we are going to meet with them again. On a second occasion we met to give them an understanding of the new appeal structure to take back to their members.

In the last month I know there have been other speaking engagements outside the board. The board intends to go to the injured workers directly as well as through their representatives. I really think we are doing it and will continue to do it because it is very important, just as you said.

**Mr. Lupusella:** Again, as I have stated, I have not been critical of the activities you are pursuing. I am endorsing what you are doing. I am not placing politicians in that particular forum because we do not want the process to become partisan. We want to make sure that injured workers will be briefed.

**Hon. Mr. Alexander:** We are going to try our best to do that.

**Mr. Lupusella:** If the board is going to speak to injured workers, I would like to be present. Our main goal and the board's goal is for injured workers to get the message.

**Hon. Mr. Alexander:** We are going to try our best, Mr. Lupusella, to meet that objective. I think that is an objective we cannot ignore because the complexities and ramifications are so immense. It is incumbent upon us to brief as many people as possible, but particularly the injured worker.

Rest assured, Mr. Lupusella, you can come back next year, or as the case may be, and say, "Mr. Alexander, you failed because you did not do what you undertook to do." I am giving you my undertaking now that with respect to the process and the plan we are going to have, we will try our best to see to it the objectives you have placed before us are met.

**Mr. Lupusella:** You previously stated that you were going to give consideration to my suggestion and recommendation about reaching the injured workers and having the board and the representatives of injured workers present.

**Hon. Mr. Alexander:** I am only concerned about seeing to it that the injured worker is informed somehow or other. I think Mr. Haugh has tried to indicate we are determining right now the steps that should be taken. There will be other steps, but the bottom line is, "How best can we reach the injured worker?" We are going to take all of the submissions you have made into consideration because we both want to meet at

the end of the road with the same thought, "Have we reached the injured worker?" That is our responsibility—

**Mr. Lupusella:** Without playing politics. I did not place politicians in the middle.

**Hon. Mr. Alexander:** I am playing politics?

**Mr. Lupusella:** Without playing politics.

**Hon. Mr. Alexander:** Oh, no; this is a serious matter. We all have to find out what Bill 101 means. I have been briefed up to a point. It is not only within the board but primarily on the outside. Have a little faith.

**Mr. Haggerty:** If the chairman has a problem, just think what the average lay person has.

**Hon. Mr. Alexander:** That is my point, sir, and I am a lawyer too. I understand what you are saying, but have a little confidence in us in this regard because I think we will be able to meet your objectives.

**Mr. Chairman:** Before we move on, Mr. Haggerty had a supplementary.

**Mr. Haggerty:** I just want to add a supplementary to the question. I cannot understand where the difficulties would be. I suppose what is lacking with workers' compensation is public relations. I do not think advertising it on television is going to hit every employer or worker in Ontario. I do not think you are going to get the point across if you advertise it in certain newspapers.

I thought the workers' compensation had set an example in 1978 in the amendments that took effect on July 1, 1978. This is a summary of the compensation act. You should be able to come up with a pamphlet of the proposed amendments with a little scenario or preamble to it saying, "This is what we think will take place; this is how the act should act." You could give an example of an injured person or a person who was injured before this comes into effect and the effect it will have on him. There is no reason you cannot produce a pamphlet like that and send it out.

**Hon. Mr. Alexander:** With every amendment we have produced a pamphlet. I do not have a copy of our latest amendment pamphlet here, but it is produced every time there is an amendment. It is widely circulated. It has the changes just as they are laid out.

With respect to the pamphlets that are being prepared now for the changes to be available on April 1, the first one is ready now and it is going to get wide circulation. That is coverage for domestics. There is a registration form for the employers. It explains both the rights of the employer, what he has to do, and what the



domestic worker's rights are. It is the first one we have in terms of what we are putting out.

We have completely revamped all the board publications because, obviously, the changes in Bill 101 substantially change the way we do business. They are being done at three levels of information, if you like. One level is the most complicated, with longer, more manual-oriented pamphlets which we have not had, quite frankly, in the past. If you are familiar with the book the Ministry of Labour does with respect to a summary of the Employment Standards Act, we are doing one of those books with regard to the Workers' Compensation Act.

**10:40 a.m.**

We are then doing pamphlets of a less complicated nature, which still fairly well explain the rights and obligations under the act. Then we are doing what we call a sales brochure, which is a short, quick look at the act. All of these brochures are being done in English, French, Italian and Portuguese. Some of them in addition will have Spanish and Greek, as we have done in the past.

The work is going ahead. For this afternoon's session, I will be pleased to get you the last amendment brochure, which I think is similar to what you just gave the chairman. We produce one of these every time there is an amendment. It lays out what has changed, what the new benefit rates are and what entitlements are as amendments come out.

Certainly, we are concerned about this. We are revamping the entire printed pamphlet line and those will be available, but we still have to use television and newspaper advertising.

Unfortunately, one of the problems we face is that nobody thinks he needs workers' compensation until he has an accident. We have to get to people before then so they know what they have to do in that case. If the proper reports are sent to the board on time, it makes the whole adjudication process a lot easier, as you know. We have a concern in that area, too, but please rest assured the pamphlets are being done. They will be understandable and in the languages of the workers.

**Mr. Lupusella:** For example, you might put a pamphlet in a doctor's office, where patients are going. Could you make sure all doctors get notification of the changes?

**Mr. Haugh:** Yes. Doctors are on our list of publics to whom this information has to be circulated, as are unions and workers in companies. As we get closer to April 1, we are

mailing either individually or in bulk to whatever organizations we can find.

Certainly, we have looked at doctors' offices and we would like the pamphlets to be available there, if we can arrange that. We have sent them out in the past but there has not been a great pickup, if you like. About a year ago we did a poster that basically said: "Injured at work? Let us know." We put it in all hospital emergency waiting rooms because that is one problem, as you know. Somebody comes in to the doctor or the hospital and does not say, "I was hurt at work," so the report does not go forward. Those posters have been somewhat successful, although in some institutions they are already down and we will have to put them out again. It encourages people to make sure the treating agency knows they were hurt at work and a report should be filed to the board.

**Mr. Lupusella:** There is another point I would like to add. I know family physicians and specialists have forms. Doctors report when an accident has taken place, and the board can be advised through the employer, the claimant or the family doctor. Unless this process is already in place, could you make sure the family physician and the specialist have the employee's accident report form as well?

In other words, when an injured worker is trying to claim compensation and the employer did not send in a report and so on, and the worker goes to the doctor three or four days later and the doctor submits a report, can you make sure he also has the employee's accident report so he is aware that an accident took place in his opinion and can issue a report to the injured worker, and fill out the form?

**Mr. Haugh:** We certainly can have Mr. Reilly bring that up with the Ontario Medical Association liaison committee to see whether that kind of a procedure could be put in place. I think it is an excellent suggestion, Mr. Lupusella.

**Mr. McDonald:** I am sure you are aware, Mr. Lupusella, in a large majority of our claims we do not request a report from the injured worker. In addition, the percentage of injured workers who make up the patient population of a doctor is very small compared to his overall case load. I do not know how valuable it would be to provide him with an ongoing supply of reports, which in many instances are redundant, because the percentage is not there.

**Mr. Lupusella:** I am sure the process would not hinder the whole process of compensation. I think you might have fewer visits from injured workers coming to the board and requesting the



employee's accident report because he never got it. I think it saves time as well when the injured worker comes into the board's office and someone says: "You have to fill out this form before a decision can be rendered. We never got the employer's accident report."

I am sure it saves time, considering the whole process of the claim per se. I am also sure the board will have fewer visits from injured workers coming down to request that particular form. In trying to improve the system, I think you should take my recommendation into consideration.

**Hon. Mr. Alexander:** Yes.

**Mr. Chairman:** I think it is agreed that something that has to be a top priority with the board is the communication of the terms of Bill 101. If you are satisfied, Mr. Lupusella, that this is being taken into consideration, perhaps you can move on.

**Mr. Lupusella:** On page 11 of the chairman's opening statement there is a paragraph related to employers: "In 1983 the employer was granted full access to the file in 95 per cent of cases." I understand the meaning of the statement, but I want further clarification. Are you trying to state that full access to the file included all medical information as well?

**Hon. Mr. Alexander:** Except that which was harmful, I would say.

**Mr. Lupusella:** It does not say so here. That is why I am raising the question.

**Hon. Mr. Alexander:** I think this involves documentation. I guess it is primarily medical reports that could be harmful to the injured worker that we are speaking of here. Those things are not given to the injured worker personally but rather are passed on to the treating physician or the general practitioner. He then would have the responsibility of passing on that information which we think is harmful.

With respect to the file as it would apply to the employer, the harmful matter would be taken out because we feel it is not appropriate that such a document be in the hands of the employer. But if I read correctly, as long as the rest of the file is relevant to the issue in dispute, then it is meant that the whole file would be given to the employer.

I think what happened in the first place was that the employer was very concerned about the fact that the injured worker was getting the file and he was not, because he was more or less restricted to the relevant issues. There was some thought on the part of the employer that this would mean he would not get very much of the

file, if anything. But it happened to turn out that he would get all of the file, and therefore the concern the employer had in the first instance has been eroded.

**Mr. Lupusella:** I get the impression you are trying to use a machiavellian approach in your statement, "In 1983 the employer was granted full access..." You are not mentioning partial access to the file.

Let us be clear. "Full access" means it was not partial access in which the medical reports that were harmful and so on were not released. "Full access," in my own interpretation, unless my friend Floyd can correct me, means he had full access to it, including all medical information.

**Hon. Mr. Alexander:** Anything that was relevant.

**Mr. Chairman:** Do you agree with that, Mr. Laughren?

**Mr. Laughren:** I want to wait until I hear the end of the statement. My own colleagues have reeled me in from time to time, you know.

**Mr. Lupusella:** So full access to the file was granted in the range of 95 per cent of the cases, which gives me the hint that, for the reasons you just mentioned, five per cent of the total requests were not granted, for medical reasons or where they would be harmful and so on. This is my own interpretation. What is your interpretation?

**Mr. Laughren:** That sounds very reasonable to me.

**Hon. Mr. Alexander:** It sounds reasonable to me as well, but let us have clarification from one who knows, Mr. Warrington.

**Mr. Warrington:** Mr. Lupusella, you are quite correct, except that on top of the so-called harmful information there may be other medical reports on file that have no relevance to the man's condition and they would be—

**10:50 a.m.**

**Mr. Lupusella:** As you know, I have been very critical in the past of the release of medical information, in general, to the employer. It appears that full access to the file is given in the range of 95 per cent of the cases, just to give us a breakdown figure on the use of the full access to the file in principle. It appears that the board has been quite generous in releasing the whole file to the employers.

**Mr. Warrington:** Quite simply, sir, the majority of our files are not the kind of files, four and five inches thick, that you and I see so often on appeals; they are really four or five pages of reports. That is the majority of files. When an

issue does come up, those reports pertain to the issue at hand and the employer is given access.

**Mr. Lupusella:** In the past I have made the argument that if the employer is opposing the recognition of the file—

**Mr. Warrington:** Do you mean opposing entitlement?

**Mr. Lupusella:** Entitlement to the claim, I am sorry, not to the file. If the employer is opposing entitlement to the claim it means he is of the opinion that no accident took place.

**Mr. Warrington:** Correct.

**Mr. Lupusella:** It is my opinion that he should not have access to any medical reports, because the issue in dispute has nothing to do with the medical aspects of the claim.

Reading the content of this statement, full access means you gave everything.

**Mr. Warrington:** That is correct.

**Mr. Lupusella:** I disagree with that approach.

**Hon. Mr. Alexander:** But all of it was relevant to the issue that was brought forth by the employer. In other words, I think you have to look at the word “relevancy.” If you will notice, Bill 101 has adopted a policy of access with some added protection therein; so the same thing still exists.

**Mr. Lupusella:** No. We are talking about Bill 101 and a specific clause that deals with the protection of certain medical information.

**Hon. Mr. Alexander:** That is right.

**Mr. Lupusella:** But you are dealing with the use of the act up to now. When I read the statement that employers across Ontario had full access to the file in 95 per cent of the cases, this means that for any particular issue in dispute before the board they got everything from the file.

**Hon. Mr. Alexander:** No, Mr. Lupusella—

**Mr. Lupusella:** With the exception of the five per cent, you have been very generous with employers in giving out the file.

**Hon. Mr. Alexander:** Not generous; we are following the policy, sir. You have forgotten the word “relevancy,” and that is part of the policy. It just happens to be that everything in that file in that 95 per cent of cases was relevant to the issue in dispute.

Remember the word within the policy. That same word “relevancy” now is in Bill 101. “Harmful”, vis-à-vis the injured worker, is also in Bill 101.

**Mr. Lupusella:** I am not disputing the content of Bill 101. I am talking about the present act. That is what we are dealing with, the act in 1983.

You have been very generous with the employers in giving them full access to the file. I am sure, from your being so generous, they have had medical information which they were not supposed to get because the issues before the board had nothing to do with medical information.

**Hon. Mr. Alexander:** That is your opinion without knowing what is in a particular file or what has been disclosed.

**Mr. Lupusella:** I have had my own experiences with those files.

**Hon. Mr. Alexander:** On the other hand, I could tell you that the injured worker gets the entire file. Mr. Warrington will check me, but I think only 34 or 35 times—

**Mr. Warrington:** Thirty-one.

**Hon. Mr. Alexander:** Only 31 times have we found information in that file that was harmful to the injured worker; so that was taken out and, I guess, forwarded to the general practitioner to let him advise the injured worker.

**Mr. Lupusella:** I do not have any problem with the second aspect of the situation.

**Hon. Mr. Alexander:** The employer has the same right, only the word “relevancy” is in the board policy and now in the act.

**Mr. Lupusella:** I presented an appeal six months ago, and the issue before the board actually was an employer’s appeal. He was disputing before the board that no accident took place in the course of employment. The employer had all the medical reports with him. That is what I am trying to make sure will not happen. If the issue had something to do with an accident that never took place on the premises of his or her own employment, why did the board disclose all medical information that had nothing to do with the issue? He had all the medical information.

**Hon. Mr. Alexander:** Check me if I am wrong; I am not involved with this from day to day and I am sort of thinking as a lawyer now. Would the medical report not at times give an indication of where and whether an accident had happened?

**Mr. Lupusella:** No. When you are disputing the principle of whether an accident took place, the entitlement and the medical reports are not considered by the board until there is a recognition of the accident.

**Hon. Mr. Alexander:** Excuse me, sir. I am not well versed in that.

**Mr. Lupusella:** Am I right or wrong?

**Mr. McDonald:** I think you are wrong, sir, with due respect.



**Mr. Lupusella:** Why? Explain.

**Mr. McDonald:** Quite often the doctor in his report will give the history that has been given by the worker of what occurred to cause the disability; in effect, a history of accident.

**Mr. Lupusella:** But what if the employer is trying to deny that the accident ever took place?

**Mr. McDonald:** Then the information from the doctor is in support of the injured worker's claim, and the employer should be aware of that support.

**Mr. Warrington:** Exactly.

**Mr. Lupusella:** Okay. Let me give you the opposite side and I will show you that you are wrong.

When the board is denying a claim on grounds that the accident never took place and the injured worker is appealing before the board, in my own experience before an adjudicator and before the appeal board they do not want to hear anything about medical reports because the claim has not yet been established for payment. There is no recognition that an accident ever took place, and you do not get into the principle of medical reports because you have to demonstrate first of all that the accident took place.

**Mr. McDonald:** I would use the doctor's statement to support that an accident was reported to him—

**Mr. Lupusella:** It does not work that way in my experience.

**Mr. Cain:** Mr. Lupusella, it does. Just as Mr. McDonald said, we look at the accident report to see when the worker went to the doctor in the first place. Perhaps he went the next day. If he reported the same history of accident as reported to the employer, that is support for the injured worker. He went for medical treatment the next day and gave the same history of accident.

There is another important point. When you are looking to see if an accident ever occurred you are looking to see whether there is a disability. What is the diagnosis? Can the type of disability this worker is suffering be related to the history that is provided? That is what an adjudicator goes through when he is adjudicating.

It is up to the employer to look at those things in access and, we hope, say: "He went to the doctor the next day. He gave the same history to him that he gave to me. Apparently, according to the memos on file, that diagnosis can be related to that kind of accident. Therefore, I think there is a relationship." That is what you are striving for.

**Mr. Lupusella:** I agree with you that the information on when an injured worker went to the doctor should be taken into consideration.

**Mr. Cain:** And it is.

**Mr. Lupusella:** I am talking about the infrastructure of medical evidence. That has nothing to do with it when you present an appeal, because you have to demonstrate first of all that the accident took place and then you get into the medical aspect.

**Mr. Cain:** Do you not point out to the adjudicator before a hearing: "This person went to the doctor the next day and reported the same history of accident. Look at the diagnosis. It appears to be related"? If you point that out, then the employer—legitimately, I would say, because of access—has a right to know that information. I would expect you would properly use it as support for your position.

**Mr. Lupusella:** You are talking about history of the accident, and you mention the doctor to take into consideration the time frame within which the injured worker went to see the doctor or the specialist. If what you and the gentleman are saying is true, why are appeals denied even though there is clear medical evidence that the family physician or a specialist stated the physical conditions are related to an accident? Why does the board deny the accident ever took place?

**Mr. Cain:** I can give you no explanation in any individual claim why that occurs, because there are so many circumstances, but I am saying that is one very important circumstance.

11 a.m.

**Mr. Lupusella:** You cannot have it both ways. At any rate, I raise my concern. I have reservations about giving full access to the file to the employers.

The other aspect I would like to bring to your attention is that recently there was another appeal coming from an employer. As you are aware, the employer has to follow the same routine in the appeal system as does the injured worker. The issue goes before an adjudicator, before the claims review branch and so on.

I noticed in the reply to the employer for this specific appeal, which is going to take place in the near future, that the claims review branch gave five pages—I have never seen it like that before—of explanation about the issue to the employer. There were particular references to the way in which the employer was supposed to deal with the issue and the remedies he could use in case he was asked by the adjudicator.



There were five pages. I have never seen that for an injured worker before. They were explaining the law in detail and what he was supposed to do. In other words, the employer was already briefed in all respects of the appeal. I am sure he did not even need the disclosure of the file with the letter because he knew exactly what he was supposed to say before an adjudicator.

There were five pages. I hope the same thing will be done for injured workers from now on. I do not have anything against that, because I said ignorance before the law is not excusable. If you brief an employer about the law, about certain sections of the act and so on, I think that is good. But I hope you will do the same thing for injured workers.

**Hon. Mr. Alexander:** I hope Mr. Cain can answer that. I cannot see us briefing the employer without briefing the injured worker, but Mr. Cain will assist us here.

**Mr. Cain:** I do not dispute that a five-page letter went out. Frankly, sometimes five-page letters go out to injured workers. It is far too long and, I would say, in most cases totally unnecessary.

We do have a rule in the branch, and each person in the branch has it, that every letter, every decision that goes out has to contain four or five things. It has to state the issue. It has to state the policy or the section of the act that this issue is related to. It then has to state the facts that are in that file. Finally, it has to state the conclusion. That should occur within two pages, two and a half at the most. On some occasions it goes far too long.

**Mr. Lupusella:** At any rate I never saw five pages before. The issue of that particular case is that the employer was trying to counteract the medical reports and payments to the injured worker. I have never seen anything like five pages to an injured worker. I guess employers are extremely well briefed on the decision taken by the claims review branch before proceeding with the next appeal before an adjudicator. They know everything.

**Mr. Cain:** There is no policy in the claims review branch, of which I am the director, to tell them to give the employer more than the injured worker. On the contrary, if it happens one way or the other, the injured worker will get more. I assure you I would not countenance that kind of policy.

**Mr. Lupusella:** If that is the case, I hope you will do the same thing for injured workers.

**Mr. Warrington:** I might add, Mr. Lupusella, that only 7.25 per cent of employers appeal issues against their employees.

**Mr. Lupusella:** I understand that. In that particular case there was even the suggestion he had a remedy to request that the claim would be charged to the second injury parts. This particular information was in the five-page letter.

**Mr. Warrington:** Regarding a pre-existing condition?

**Mr. Lupusella:** Yes. The alternative was given to the employer as to what he was supposed to request before the adjudicator. Do you want a copy of the letter? I can go upstairs and get it.

**Hon. Mr. Alexander:** I think Mr. Cain has adequately explained it.

**Mr. Warrington:** Yes, I would like to see it.

**Mr. Lupusella:** It is before the appeal court. The chairman will accuse me of jeopardizing the result of the appeal.

**Hon. Mr. Alexander:** Oh no, sir. I am listening because this is all new to me.

**Mr. Lupusella:** Last year when I mentioned a particular claim, you said: "You are a legislator; you should know you cannot bring before the committee an issue that is in dispute before the board." Will you say the same thing if I bring this case up?

**Hon. Mr. Alexander:** I am trying to understand what document you are talking about. Are you talking about a decision that was handed down—a five-page decision—or was it a letter that came from one of the operating divisions advising the employer about—

**Mr. Lupusella:** No, it was not a letter.

**Hon. Mr. Alexander:** It was a decision?

**Mr. Lupusella:** It was a decision from the claims review branch. In fact, the next appeal now is before the adjudicator. The employer has all the groundwork done in that letter. He knows what he has to ask before an adjudicator.

**Mr. Laughren:** Because the board did it for him.

**Mr. Lupusella:** Yes.

**Mr. Laughren:** It is strange, is it not?

**Mr. Lupusella:** If you want to see it, I will get it.

**Hon. Mr. Alexander:** Yes, I would like to see it to find out what you are talking about.

**Mr. Lupusella:** Do you want me to read it into the record as well? Or will you blame me again?

**Hon. Mr. Alexander:** Sir, I will accept whatever would make you feel you have

accomplished something. I cannot tell you what to read or what not to read into the record, but I would like to know what document you are talking about. It is a decision, I guess, that was handed down.

**Mr. Lupusella:** It was a decision. It was not correspondence between the employer and the board. I would not have raised the issue if it was in that context.

**Hon. Mr. Alexander:** Would you like to send me that decision? I know you do not have it now. I will have it looked at, along with the comments you made, to determine whether we are doing the right thing. We will be able to ascertain if, as you say, we are bending over backwards to brief the employer as to what he is supposed to say.

**Mr. Lupusella:** Five pages—I was shocked.

**Hon. Mr. Alexander:** If you want to send me the decision, I will certainly have the officials look at it.

**Mr. Lupusella:** It is too late, because the appeal is going to be in April.

**Hon. Mr. Alexander:** But you still have a point, regardless of whether the appeal—

**Mr. Lupusella:** You cannot withdraw that letter now.

**Hon. Mr. Alexander:** No. We are not going to withdraw the letter, but we would like to see the decision so we can determine whether your objections have any validity.

**Mr. Lupusella:** They have validity. I have never seen such a decision—five pages.

**Mr. Chairman:** Before we leave that point, Mr. Haggerty has a supplementary.

**Mr. Haggerty:** I just want to raise a question about equity in the appeal system, following upon what Mr. Lupusella has been discussing.

What is the board's policy on an appeal where the company brings in additional evidence such as a blueprint or a drawing of the area where the accident happened? What evidence can an injured worker supply in that area? I was making an appeal just recently. The injured worker, through the union, had taken pictures of his work environment showing he had been crawling underneath conveyors and so forth. The person representing the company, probably a hired consultant, was rather offended because these pictures had come forward. He objected to them and he did not think that sort of thing should be permitted.

I can cite appeal cases such as one where pictures of a steamship were introduced. The

person was working around the galley. The pictures were accepted in that case.

**11:10 a.m.**

What is your policy in that area? I know you have field staff. Perhaps before a decision is made in some cases, they could send in a report to the board. Sometimes pictures of the accident itself, or pictures taken in the vicinity of the accident, would be most helpful to the adjudicator in making his decision.

You get people with back problems and they will say, "He does light work." But when I looked at what this fellow had to do around chutes and the elevated part itself, conveyers and so on, he was working down on his hands and knees all the time. Every time he raised his head he was hitting the frame of the conveyer. He was in a cramped position, shovelling flour that had spilled from a chute and had to be put back into a container. I do not know what your policy is in this area.

**Hon. Mr. Alexander:** Let us try to find out.

**Mr. Warrington:** Mr. Haggerty, you said the employer representative objected to this evidence, but surely the adjudicator accepted it, or the appeal board, whichever you were appearing before.

**Mr. Haggerty:** I do not know, but he was going to make an issue of it. He said, "You have no right to bring those pictures here."

**Mr. Warrington:** That is absolutely incorrect.

**Mr. Haggerty:** Wait a minute. He may be right to a point in saying that if anybody is going to take pictures, it should be the industry. You may have a trade secret there. If somebody has been taking a picture of it, it could get out.

Just what is the policy? It is something he brought to my attention that could have consequences later on.

**Hon. Mr. Alexander:** You threw a little hooker in there by saying that pictures taken in an area could reveal a trade secret. But I think Mr. Warrington is indicating that any evidence that would help an adjudicator, or claims review at that level, or the appeal board would be admissible. This is an inquiry system; it is not a court.

The bottom line is that we want all the evidence so the adjudicator and the appeal board will have everything at their disposal to hand down a just decision. I can see why someone may want to object to the introduction of a picture, but I hope those who are in the claims review branch or in the initial adjudication end, or the appeal



adjudicator or the appeal board, would overrule that objection and say, "I need to see this because it helps me to determine what I am going to do with this case." I do not know whether I am off the beat, Mr. Warrington.

**Mr. Warrington:** You are right on; that is exactly right. Then the evidence would be given whatever merit it deserved.

**Mr. Haggerty:** The appeal is still pending. Another factor arose because of the event with the pictures and there was another accident. The company said there was not and, of course, through its work records he did report to the foreman that he had injured himself, yet he still worked the rest of the shift. He could not go back into work the next day. They did some research into it and said, "Yes, it was reported that day."

**Hon. Mr. Alexander:** I would think any picture is admissible, but, as you properly pointed out, if the employer says, "Wait a minute. I am not having any picture put on your desk that shows something in our plant that we call highly confidential and restricted," the person who is sitting in would have to determine whether that employer does have a point or not.

**Mr. Warrington:** Or go and visit the plant. We have done that on occasion.

**Mr. Haggerty:** It is the same thing as a committee meeting in here: you can be in camera. It is the same thing. It is open only at a certain time. Could the employee himself put his job in jeopardy because he took those pictures?

**Hon. Mr. Alexander:** I have no answer to that question.

**Mr. Haggerty:** It is an area we should be looking at.

**Hon. Mr. Alexander:** I would think if any employer were to come down hard on an employee because the employee had tried to get the evidence to bring before this board, we would take a very dim view of that because we are seeking all the evidence, and the best evidence, so that we can adjudicate the claim.

**Mr. Haggerty:** To clear the air in cases like this, so there is no further outside court action in this area, maybe when the staff in your regional offices go out to make a check to find out if there was an accident they should have the right to go in and take pictures.

**Hon. Mr. Alexander:** I do not know whether they do. Let us ask Mr. John McDonald.

**Mr. McDonald:** They do have cameras available to them and they carry them on occasion when they feel it is indicated.

**Mr. Haggerty:** Okay.

**Mr. Lupusella:** May I continue?

**Mr. Chairman:** Back to you, Mr. Lupusella.

**Mr. Lupusella:** In 1982-83, this committee was sitting during the summer to review Professor Weiler's report and the government's white paper, and from these two reports a new creature came out, which was Bill 101.

During that stage, the committee developed a report on the study by Professor Weiler and the government white paper. I think members of this Legislature were concerned about certain issues, administration of the board and the operation of the board. There were several recommendations. The Liberals and the New Democratic Party wrote a dissenting report.

**Hon. Mr. Alexander:** I am aware of that.

**Mr. Lupusella:** I understand that when we are dealing with the principle of the law, it is up to us to enact the law, but the resources committee report in 1983 was very extensive, complete and touched on different angles of the whole operation of the board. Even though all the recommendations were not accepted by the government, we pinpointed certain loopholes in the administration of the operation of the board.

Did you have an opportunity to review the content of the resources committee report and did you develop new strategies as a result of the concerns raised by members of the committee?

**Hon. Mr. Alexander:** I think what you are referring to is the final report of the standing committee on resources development dated December 9, 1983.

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** We have the report. I am sure the officials at the board looked at that report in order to determine whether there was anything in there that was not offensive to the principles of which you were speaking with regard to a final Bill 101. They could adopt those things to make the administrative structure more acceptable to you in discharging its mandate.

To answer your question, from the time Weiler was involved, any reports that came out were also received by us. The board, from the day Weiler was involved, has been making its plans and has been trying to determine the process that would lead to the end result that was envisaged, which is Bill 101.

Within that context, where we could move, we would move. Where we could not move, we could not move, because it would depend on the bill itself. In other words, it has been an ongoing process of consultation, upgrading, impacting,



enhancing to see that what we can do now, as long as it was not offensive to the bill, could be implemented.

**Mr. Lupusella:** I understand. You are perfectly right about certain principles in the recommendations that were supposed to be incorporated within the bill and enacted by this Legislature. I do not have the report in front of me, but there was a general discussion about administration, policies and the new approaches recommended by several members of this committee. Have you had an opportunity to review the recommendations?

**Hon. Mr. Alexander:** The short answer is yes.

**Mr. Lupusella:** Did you have an opportunity to review the recommendations that were being implemented by the board without any specific legislative action, and what kind of action did you take?

11:20 a.m.

**Hon. Mr. Alexander:** I am glad you added that. That would not be offensive to the bill itself. Anything we could have done that would have had an impact upon our administrative capabilities was done, or is being studied, in an attempt to bring it about. In other words, this is information for the edification of the board. I have looked through the reports myself and I would say that those who are in charge throughout the board in varying divisions look at this to determine: "They have had a debate on certain issues within the committee. Can we move in that direction without offending the end result?" All those things have been considered.

**Mr. Lupusella:** Was there any group employed by the board that had the mandate to review the content of this report and report to you and the corporate board on its implementation?

**Hon. Mr. Alexander:** I cannot tell you about the group itself, but I am sure Mr. Cain or Mr. McDonald could explain it.

Just what was the approach taken when the report of the standing committee was tabled?

**Mr. Cain:** When the report was tabled, we ensured that there were sufficient copies to go to all the senior people at the board. They read them and, where possible, acted on those that, as you say, were not in contravention of the current act and so on.

As you can imagine, there are a number of things in here that really nothing can be done about. For example, we have a proposal in here that we go to 90 per cent of net. Obviously, that was not the—

**Mr. Lupusella:** We are not interested in that.

**Mr. Cain:** No. But, for example, I think this report no doubt reinforced the recognition that everyone wanted more workers' advisers. The issue here was, to whom should the workers' adviser be responsible. We could not do anything about that. They are responsible to the board currently. What was addressed was that there could be more workers' advisers. I am almost positive one or two more have been added since this report came out.

It is difficult. If you will give me the time, I will be happy to go through it and identify points for you. They are small things in some cases—sometimes a little more than that—but little things have been chosen and the board has said: "Yes, people really are pushing for that. They think that is a worthwhile thing. Perhaps we can do that."

Workers' advisers are one example. I must admit I cannot remember the others off the top of my head.

**Mr. Lupusella:** The reason I am raising this issue is that the committee per se dwelt at length on the principle and the revision of important reports such as Professor Weiler's report and the government white paper. I want to make sure we understand the distinction of something pertaining to the principle of the law.

We have Bill 101. I do not want to make any particular reference to that. I am going through these points. If you need time to answer this question, I would be pleased to hear from you or from the chairman. There are several suggestions in the report having to do with the policymaking process of the corporate board that can be implemented easily by top officials of the board, the chairman included.

I cannot go clause by clause at this time, but I expected that after all the work that has been done by this committee, and after having an opportunity to hear so many injured workers and employers' representatives and after coming out with this report, the board had an opportunity to appoint a group of people to study the contents of the report and to make sure certain principles would be implemented without the legitimate mandate of the legislation. I am talking about two separate things.

As you stated, you had an opportunity to see it, but I was expecting something more from a very concrete and worthwhile report. Every member of the committee had an opportunity to place his or her input in the content of such a report. It was not invented by us, the members of the Legislature; it was the final analysis of the submissions

many representatives and deputations made before us.

If this report is to be dismissed so lightly, with the position that the board had an opportunity to take a look at the content and no action was taken in relation to the implementation of certain policies that can be changed by the administration of the board, I really feel sorry. I hope the board will appoint a group of people to do just that.

**Mr. Chairman:** I think Mr. Cain has responded as well as he can. Obviously, he is not going to satisfy you totally. It is my understanding and certainly it was the minister's—Mr. Ramsay said in the House—that Bill 101 is stage 1 of amendments to the Workers' Compensation Act. The board is looking at policies and is making progress.

**Mr. Lupusella:** I hope they will do that. I am getting the feeling they did not do the work they were supposed to do.

**Mr. Chairman:** I think they are and I think they have been making changes as a result of our discussions. We have heard that time and time again from the board.

**Mr. Lupusella:** I would be pleased to find out what course of action was taken in relation to the principles of policies enunciated in this report, in which a strong recommendation was made by this committee that the board was supposed to take immediate action. I hope I will get such a reply, not tomorrow or next week, but in the future.

**Mr. Cain:** You will, Mr. Lupusella.

**Mr. Lupusella:** Thank you. I am sure I am going to get a detailed report about the Ontario rating schedule and the revision of that and the stage we are in, and that later someone will be able to give me a reply to that particular request.

**Mr. McDonald:** Is that the permanent disability rating schedule?

**Mr. Lupusella:** Yes.

I raised the issue before about the appointments of people to sit on the new, restructured corporate board, and the same concern applies to the independent industrial disease panel. Can we get a reply from the parliamentary assistant on whether the people have been appointed, or is this panel not yet formed?

**Mr. Gillies:** The appointments have not yet been made. They are being formulated in the ministry. I know the minister is considering a number of applicants. He is reaching out to the various interest groups and the types of people we would want on such a panel. They have not

been yet, but I expect they will be appointed quite shortly.

**Mr. Lupusella:** What about the independent medical review panel?

**Mr. Gillies:** I am sorry, I am being corrected on that. Those appointments will not be made as immediately as the new corporate board. We may be waiting just a little longer for that.

**Mr. Laughren:** Will it not be for July 1 either?

**Mr. Gillies:** I do not believe so.

Interjection.

**Mr. Gillies:** Are you saying you hope by July 1? Yes, but it will not be by the April 1 deadline.

**Mr. Lupusella:** What about the independent medical review panel?

**Mr. Gillies:** Is the medical review panel ditto?

Interjection.

**Mr. Gillies:** That is what we were talking about, the industrial disease panel.

**Mr. Lupusella:** No, that is different. The independent medical review panel has to do with appeals related to Bill 101.

**Mr. Gillies:** We are hoping to have everything in place by July 1 with respect to the industrial disease standards and medical review panels.

**Mr. Laughren:** At least we know the kind of consultation that is going on in this regard.

11:30 a.m.

**Mr. Lupusella:** In the Legislature, my friend the member for Nickel Belt (Mr. Laughren) and myself were predicting a chaotic situation, with two systems in place. We do not have the infrastructures yet upon which Bill 101 can operate. Actually, the type of consultation which is taking place and the implementation of Bill 101, whenever it comes into effect, reinforces the thesis expressed by Professor Laughren in the Legislature and myself.

Interjection.

**Mr. Lupusella:** He is a professor.

**Mr. Gillies:** I appreciate what the good professor and you are saying, but the thing is that those parts of Bill 101 to which these two panels relate are not proclaimed until July 1, so the board would not even have the statutory right to hire before July 1. I want you to know that work in choosing and selecting the type of people we want on those panels is proceeding, but there would be no point or value in announcing their appointments before the proclamation of the act. However, I do not want you to think we are sitting around waiting for July 1 to start.



**Mr. Lupusella:** Are you aware that in less than six weeks spring will be in Toronto?

**Mr. Gillies:** Yes, I am aware of that.

**Mr. Lupusella:** In other words, time is flying.

**Mr. Gillies:** I am aware that very shortly spring comes to Miller's Ontario.

**Mr. Laughren:** It is earlier for some than for others.

**Mr. Gillies:** Seriously—

**Mr. Lupusella:** I am very serious about it.

**Mr. Gillies:** —the work and the consultation are ongoing. The announcements will come around the time of the bill's proclamation, but the groundwork and the consultation are ongoing as we speak.

**Mr. Lupusella:** Because of this particular lack of action on the formation of these panels, can we get some statement from the board about the procedures which will be in place and which have been in place to act upon Bill 101 to make sure the system will run smoothly? Can we get some statement to enlighten us? Professor Laughren is really concerned about the chaotic system which will eventually be in place.

**Mr. Laughren:** Mr. Chairman, on a point of privilege: I must insist that Mr. Lupusella cease and desist from referring to me that way. I will not be maligned by being referred to as an academic like that.

**Mr. Lupusella:** My friend Floyd, then.

**Mr. Laughren:** That is better.

**Mr. Cain:** In terms of Bill 101, there are two dates that are important: April 1, primarily for benefits, and July 1, for organizational structure. Mr. McDonald would be able to describe the policies that are coming forward.

**Mr. Laughren:** Is this the sick MacDonald or the healthy MacDonald?

**Mr. Cain:** He was ill last year but is well this year.

**Mr. McDonald:** Are you talking about the process leading up to the first part of the bill?

**Mr. Lupusella:** Yes.

**Mr. McDonald:** We have already instituted training sessions with our claims adjudication staff. They began in November because we had to be prepared for a January 1 date. There was an extensive training program involving all the claims adjudicators. The draft act as it was available was prepared for them. They all attended two-day sessions put on by supervisors and managers within the adjudication branch. We then involved the other divisions of the

board—appeals, rehabilitation, financial services—so that all the staff could be aware of what was coming. We have since continued to reinforce the provisions of the bill as it now exists and we are prepared to go ahead with it on April 1.

As for the implementation of the utilization of the independent panels, it is something that has not been addressed by us because we were too involved in getting ready for April 1. We have another time frame to deal with the second aspect, Mr. Lupusella.

**Mr. Lupusella:** Do you foresee any delay added to the present delay because of the lack of action of the Minister of Labour (Mr. Ramsay) in appointing the people on the panels? I am sure in the springtime, in April, you will get notifications of accidents and so on. Do you foresee any complication in the administration of Bill 101 if the panels are not appointed as soon as possible? Do you foresee any problem as a result of that?

**Mr. McDonald:** I do not foresee a problem. As Mr. Gillies has indicated, they are proceeding towards the appointment, but it cannot be done before July 1. I think they will be in place at that time.

What you are looking at, though, is whether the utilization of those panels is beyond an appeal and utilization by the independent appeals tribunal. It is a fair way down before we are going to reach that stage.

**Mr. Lupusella:** Just because the appeals system will be in place in six or seven months, I hope the minister is not sleeping and delaying the process of appointment. I hope he will not do that.

**Mr. Gillies:** I would just indicate that the work is ongoing. We are not waiting for July 1 before action is taken. There will be announcements as to what is going on and who is going where around that time.

I want to assure you again that the work is ongoing now. We are not waiting for any artificial deadline.

**Mr. Laughren:** Could I ask what is going to happen to the commissioners? Where are they going to fit in?

**Mr. McDonald:** That is a very interesting question.

**Mr. Gillies:** That is a good question. Maybe Mr. Warrington could take first innings at that and then I will come back.

**Mr. Warrington:** I cannot answer that because we do not know.

**Mr. Laughren:** Really? Do you know what kind of agony you are putting John Smith through?



**Mr. Warrington:** Yes, and not only John Smith, but 10 or 11 others.

It is my hope—I am speaking very personally now—that most, if not all, of those commissioners would be absorbed into the system. That I do not know.

**Mr. Cain:** On organization structure, Mr. Lupusella, you were concerned about how the board is now coming up to July 1 on the appeals structure. Already there is preparation going on at the board to create a division that will look after the objections workers will make.

I hope we will be ready well before July 1 with a structure in place that will address appropriately all objections within the board when the external appeal tribunal takes over beyond that. That is ongoing and it will certainly be ready by July 1.

**Mr. Laughren:** To go back to these commissioners for a moment, they now hear appeals, right? That is their main function?

**Mr. Warrington:** That is correct.

**Mr. Laughren:** Is it their only function?

**Mr. Warrington:** That is correct, with the exception of two, who are corporate commissioners; they also sit on the corporate board.

**Mr. Laughren:** Who are they?

**Mr. Warrington:** Dr. Jacobs and Mr. Tom McEwan.

**Mr. Laughren:** Yes, I know Dr. Jacobs. How many other commissioners are there?

**Mr. Warrington:** Including myself, there are 12 now.

**Mr. Laughren:** I understand your very serious concern now. It is called enlightened self-interest, I believe.

Under the new system, where there is the independent appeals tribunal—

**Mr. Warrington:** Tripartite.

**Mr. Laughren:** Tripartite, all right; that is another way of putting it. Is it the hope of these commissioners—yourself aside, because you have other jobs, do you not, at the board? You have another—

**Mr. Warrington:** My basic responsibility is appeals, but I would also sit on the corporate board, along with Dr. Jacobs and Mr. McEwan.

**Mr. Laughren:** As a commissioner?

**Mr. Warrington:** As a corporate board commissioner, yes. I can sit and do sit on appeals. I am a commissioner in that context.

**Mr. Laughren:** I understand, but if you were not a commissioner, you would still have full

responsibilities in your job at the board, right? You would have enough to keep you busy.

**Mr. Warrington:** There is no longer an appeals system.

**Mr. Laughren:** No. Under the present system, you could be doing a full-time job without being a commissioner.

**Mr. Warrington:** That is correct.

**Mr. Laughren:** Just as Mr. McDonald—you are not a commissioner, are you?

**Mr. McDonald:** No, sir.

**Mr. Laughren:** Just as he does without being a commissioner. With the tripartite appeals system—perhaps you do not want to answer this—would it be safe to say the commissioners would like to become members of that tripartite appeals tribunal?

**Mr. Warrington:** I think some of them would. I cannot really respond to that.

**Mr. Laughren:** I was not thinking of you personally because you have other responsibilities with the board. I was thinking of those whose responsibility is to hear appeals.

**Mr. Warrington:** Not from my point of view, but possibly from the government's point of view, this is to be an independent appeals tribunal. If they just move the present commissioners and make them into hearing officers, it defeats to a degree the independence.

11:40 a.m.

I might add that this was attempted in Quebec and also in British Columbia. BC has had an outside external appeals board for about seven years. They will have legislation coming before their House in about three weeks time, I believe, to bring the appeal board back in.

**Mr. Laughren:** I am glad to hear you say that. That is what I was leading to. You cannot simply move people from the board into the tripartite appeal system.

**Mr. Warrington:** Of course, that is not my decision or the board's decision.

**Mr. Laughren:** I understand that.

**Mr. Gillies:** I think I can indicate an appropriate answer to that. These appointments to the corporate board will be made by the Lieutenant Governor in Council. They will be examining the resumes of the people who are interested and will be going, we would all assume, to appoint the best possible people. If any of the existing commissioners are interested and wish to apply along with other suitable applicants for the corporate board, there would

certainly be no barrier to that. They would be considered along with other suitable applicants.

**Mr. Laughren:** But would you not agree that the new tribunal must not only be independent, it must be seen to be independent?

**Mr. Gillies:** I quite agree with that and I am sure that independence, one of the underpinnings of the new corporate board, would be a criterion the Lieutenant Governor in Council would be looking at it in making the selection.

I am not saying that necessarily excludes all commissioners; I am just saying they would be applying, along with other suitable applicants, and we would all have to assume and hope the best people would be chosen.

**Mr. Laughren:** I asked how many commissioners there are in total. I believe there are 12 commissioners. Obviously, in our role as obstructive opposition, we shall be watching with great interest the appointment of the appeal tribunal.

**Mr. Gillies:** I would expect nothing less of you.

**Mr. Laughren:** You would be disappointed if we did not. At the same time, of course, we will have an eye and ear out for former colleagues in this assembly.

**Mr. Gilles:** Or people who wish to become former colleagues?

**Mr. Laughren:** They already have been by then.

**Hon. Mr. Alexander:** Are you implying you would like to leave politics?

**Mr. Gillies:** I definitely heard an application there.

**Hon. Mr. Alexander:** I just thought I would throw that in.

**Mr. Laughren:** I was thinking of people who might be defeated between now and July 1 and not be around any more.

**Mr. Gillies:** It has never been your style to be so pessimistic, Floyd.

**Mr. Lupusella:** Make sure you send applications to all members of the Legislature.

**Mr. Gillies:** Pass that request along to the minister.

**Mr. Laughren:** If you are serious about cleaning house at the top, you should think about it.

**Hon. Mr. Alexander:** Bring your resumé right to the table.

**Mr. Lupusella:** If I may go back to the implementation of Bill 101 and the development

of policies and so on, I think I heard correctly that adjudicators are already prepared and briefed about the contents of Bill 101 and have undertaken a training course to know what it is all about.

Am I reading correctly that the same adjudicators are going to deal with Bill 101 and, at the same time, with the cases falling under the jurisdiction of the present act?

**Mr. McDonald:** You are reading that correctly. There is no question that the adjudicators are going to have their hands full in dealing with two separate pieces of legislation at the same time.

In the initial adjudication section, that will not be a factor for very long because, once the decision is made, the claim leaves that area and flows into continuing. There is no question that the job of the adjudicator becomes much more difficult. The job of the payment personnel also becomes much more difficult. They have to look at the date of the accident before they do anything with that file to see which piece of legislation they are dealing with in order to make a decision.

**Mr. Lupusella:** Because I read this process correctly, do you not agree with me that the delay issue, which was dismissed by you, will cause more problems on the adjudication process of the claim per se as a result of that?

**Mr. McDonald:** No, I do not believe so.

**Mr. Lupusella:** I was of the impression the board would have appointed new people to deal with Bill 101, so there would be some sort of protection and our negative concerns, as you may wish to define them, would not take place. The delay issue, as you heard yesterday, is a real one. It exists and it cannot be denied. For adjudicators who will be involved both with Bill 101 and the implementation of the present act, I am sure the delay issue will persist.

**Mr. McDonald:** Mr. Lupusella, we considered the possibility of creating a separate group of adjudicators to deal with claims solely relating to Bill 101, but it is really not practical to do that. As you go further along the problem becomes less. I agree with you there is no doubt the job of the adjudicator will become more difficult, but it is not practical to create a totally separate group of adjudicators to deal with those claims.

One criticism we have now is that people are changing from adjudicator to adjudicator. We want to avoid that. We think we have developed greater stability within the adjudication branch. There is a longer relationship between the

adjudicator and the injured worker, and we do not want to do anything to destroy that.

**Mr. Lupusella:** I hope you are right, but you are going to be faced with a new generation of injured workers under Bill 101. With my approach you would have saved the relationship that has been created between the present adjudicators and the old generation of injured workers. At the same time, the new group would have created a new approach with the new generation of injured workers covered under Bill 101.

I hope you are right that our concern will never happen, but I still have reservations, along with my friend Floyd. We are not pessimistic, Mr. Gillies, but it is better to be pessimistic to make sure you end up being optimistic some time.

**Mr. McDonald:** At present when adjudicators start at the board, they go through a 12-week training period. All the adjudicators now joining the board are being trained for initial adjudication in accordance with the provisions of Bill 101. They will be dealing with claims under Bill 101. They will not have any of the old claims.

They will remain in the initial adjudication section for anywhere from 12 to 18 months, so by the time they are prepared to move on to the continuing disability section, there will be fewer of the old claims remaining. There will be some—no question about that—and they will have to address both pieces of legislation, but the problem will diminish as time goes on.

**Mr. Lupusella:** As we stated before, and the same principle was reinforced by the chairman's opening statement, the number of appeals has been on the increase, which means adjudicators in different branches are already active in the decision-making process of particular claims. With the addition of new injured workers who will be covered under Bill 101, not only will the pressure increase, but chaos might arise. That is why I raise this concern.

I would be satisfied with your explanation if the statistical data had shown that the number of appeals within the structure of the present act was on the decline, but since 1983, the number of appeals has been on the increase, which reinforces the principle of my concern and of my friend's concern as well.

11:50 a.m.

**Mr. Laughren:** May I have a supplementary or are you waiting for an answer?

**Mr. Lupusella:** No.

**Mr. Laughren:** I do not believe there will be a flash of light on June 29 and then everything will

suddenly appear out of nowhere and be reasonably in place. So there must be a lot of planning going on now, not to mention meetings.

**Mr. McDonald:** Particularly with pension claims.

**Mr. Laughren:** And the entire rehabilitation division. My question has to do with workers' advisers. How many workers' advisers do you plan to have? You must have some numbers by now.

**Hon. Mr. Alexander:** We have eight now. As you know, with respect to workers' advisers, that division—if I can put it that way—will be separate, apart and independent. How many the government is anticipating, I cannot say right now. We have eight at the current time. There is a further dimension regarding the employers' advisers, which is a new initiative.

I do not know what the government is thinking in this regard because they are also independent of the board. I do not know whether Mr. Gillies can assist us at this particular time or not, but I think there will be input from us if there has not already been some with respect to the usefulness of the workers' advisers and the employers' advisers.

As to the number we can see in the future, I cannot answer, Mr. Laughren. I would think that is a matter which has to be addressed early and, as Mr. Gillies has indicated—I think he said it—there are ongoing discussions right now with respect not only to the workers' advisers, but also the employees' advisers, the independent tripartite appeal panel, the industrial disease standards panel, the corporate board—

**Mr. Laughren:** No. Do not bring in the red herrings.

**Hon. Mr. Alexander:** No. I am just trying to indicate that—

**Mr. Laughren:** Am I not correct that the workers' advisers will be paid by the board and reimbursed by the Ministry of Labour?

**Hon. Mr. Alexander:** As I understand it—

**Mr. Laughren:** Is it the other way around?

**Interjection:** The other way around.

**Mr. Laughren:** I am sorry. I meant it the other way around.

**Hon. Mr. Alexander:** Yes. They will be paid by the ministry and reimbursed by us.

**Mr. Laughren:** Reimbursed by you.

**Hon. Mr. Alexander:** Right.

**Mr. Laughren:** Surely it is the Workers' Compensation Board that will make recommen-



dations on the number of workers they need. How will the Ministry of Labour—

**Mr. Gillies:** Perhaps I can give you some assurance that if, as the chairman says, there are eight now—

**Hon. Mr. Alexander:** There are eight now, sir.

**Mr. Gillies:** —I can tell you there will be no fewer. While I do not know of a target number at this point, there will be no fewer than there are now and, indeed, if more are required, they will be hired.

**Mr. Laughren:** Oh. It is not an “if.” Surely to goodness, with the workers’ advisers, would you not agree that every appeal should go first to a workers’ adviser?

**Hon. Mr. Alexander:** Every appeal?

**Mr. Laughren:** Every appeal. That is what you are heading for.

**Mr. Gillies:** Some would argue that if there is a good representation for the worker, in some cases that may not be necessary.

**Hon. Mr. Alexander:** They are not necessarily workers’ advisers. There are the Industrial Accident Victims Group of Ontario, MPPs—

**Mr. Laughren:** No.

**Hon. Mr. Alexander:** No?

**Mr. Laughren:** No.

**Hon. Mr. Alexander:** I think there are others. I believe it is up to the injured worker. There is that option there, too, Mr. Laughren.

**Mr. Laughren:** Would every single injured worker who wants an appeal not go through the injured workers’ advisers? Why not?

**Hon. Mr. Alexander:** Because I think it is his choice. He may not proceed in—

**Mr. Laughren:** Oh, I can tell you right now what my recommendation is going to be. Every single worker who wants an appeal should go through the workers’ adviser. If you think that eight advisers are going to handle that—or 10 or 30—

**Hon. Mr. Alexander:** No, of course, eight cannot handle that.

**Mr. Laughren:** That is the way I think the system should work. I will tell you something. I am really up to here with the problems with the board and appeals. Last year the chairman of the Workers’ Compensation Board said to me, “If you cannot stand the heat, get out of the kitchen.” I remember that and I was not offended by it.

**Hon. Mr. Alexander:** Oh, no.

**Mr. Laughren:** But I remembered it.

**Hon. Mr. Alexander:** It was said in jest.

**Mr. Laughren:** No. I remembered it because I think what the—

**Mr. Lupusella:** You withdraw the statement then.

**Hon. Mr. Alexander:** I am not going to withdraw that statement. Carry on because I want to hear your concerns.

**Mr. Laughren:** I feel that cuts both ways. If the board cannot hack its appeals, then it should get out of the kitchen, too. We may both end up in the same room.

**Hon. Mr. Alexander:** We may both end up in the same kitchen.

**Mr. Laughren,** what you are stating is you would like to see sufficient numbers of workers’ advisers to handle the case load.

**Mr. Laughren:** To handle appeals.

**Hon. Mr. Alexander:** Well, to handle the case load involving appeals because that is where the workers’ advisers come into play.

**Mr. Laughren:** You go on and live in your little dream world until the whole system falls into place and see what happens.

**Hon. Mr. Alexander:** No. What you are saying right now is that every appeal should go to a workers’ adviser.

**Mr. Laughren:** That is what I am saying.

**Hon. Mr. Alexander:** I say to you, is there not an option there with respect—

**Mr. Laughren:** Oh, of course. The worker can say, “I do not want to have a workers’ adviser; I want my trade union or my MPP.”

**Hon. Mr. Alexander:** If I can recall correctly, any time a person writes to me the option is given to that person, “Listen, we have workers’ advisers here who can assist you with your appeal,” and our appeals booklet says that.

**Mr. Laughren:** I understand that.

**Mr. Lupusella:** The injured workers lost confidence. They did not want to be represented by workers’ advisers.

**Hon. Mr. Alexander:** There are a lot of them who still use workers’ advisers.

**Mr. Lupusella:** It is a small percentage.

**Mr. McKessock:** What percentage uses workers’ advisers?

**Mr. Warrington:** I cannot give you a percentage, but I can give you numbers if that is of any help. In 1983, there were 835 decisions rendered at the appeal board level, and 269 of

those were represented by workers' advisers. There was no group larger. The next is unions at 186, and then a total of all the other representative groups, which would be injured workers, of 142. Then we get into solicitors and MPPs.

**Mr. McKessock:** So it is about a third.

**Mr. Laughren:** How many MPPs?

**Mr. Warrington:** There were 43 MPPs.

**Mr. Laughren:** I get them all.

**Mr. Lupusella:** There is a reason for a decline in MPPs appealing decisions at the board level. In my particular case, I am referring people to the Minister of Labour (Mr. Ramsay). I am not taking appeals any more. I am an MPP and I want to be a legislator. I do not have time to waste down there for policies they never change. I want to be free to do my work and represent the concerns of people on the floor of the Legislature and not become a case worker. I feel sorry for injured workers. That is why I impeach this here in front of board officials. That is what my role is supposed to be. Do you think I am going to gain votes by representing 10 people before the board, or if I win that I will get more support? I do not need that.

**Mr. Laughren:** The other thing that bothers me a great deal, and we have talked about this before, is the number of appeals that are won. In my view, you can say, "Well, that shows our appeal system is open, fair and so forth." That is one argument, but the other argument is that if your claims review branch, which I believe is within Mr. Cain's incredible empire, —and I do not mean to be unfair—was doing its job, those appeals would be overturned before they got to the adjudicator level and before the board level. I think it is absolutely ludicrous.

I was talking to my colleagues; I was talking to the member for Sudbury East (Mr. Martel) about the number of appeals that are won at the appeal level. I think it is crazy. The claims review branch simply cannot be doing its job with that many successful appeals. It cannot be. It is ridiculous. That is why I think all appeals should go first to the workers' advisers.

**Hon. Mr. Alexander:** Mr. Laughren, can you not look at the appeal structure—I know it is going to be changed—as being in favour of the injured worker? We also have the Supreme Court of Canada. Are you saying the lower levels do not have the knowhow or the wherewithal? I think in the long run—and yes, I am the first one to admit there are delays—we are trying to bring about policies that will reduce delays.

**Mr. Laughren:** All the delays are not deliberate.

**Hon. Mr. Alexander:** None of the delays is. I think what I have to impress upon you is that there is the appeal structure. In the long run, if decisions are overturned, thank goodness we have a structure that gives that number of opportunities to have a case heard.

**Mr. Laughren:** Right. Do you miss my point totally?

**Hon. Mr. Alexander:** Heavens, no. I have not missed your point. With respect to the workers' adviser, we send out a booklet, a pamphlet or whatever the case may be that sets out the proper steps that should be taken if one wants to appeal to the appeals adjudicator and/or the appeal board. At the bottom or somewhere in there, it says a workers' adviser is available to you if you so desire. Is there anything wrong with that?

#### 12 noon

**Mr. Laughren:** No, there is nothing wrong with that. But what is wrong is the number of appeals the claims review branch is not doing the work on. If they were, they would understand that it should be overturned. It would not have to go on to the next level. If the claims review branch was looking at those claims in more depth, it would understand what should be overturned. Why else are they being overturned at the next two levels? It is because the claims review branch has not done its job. It is plain and simple.

**Mr. McKessock:** It seems to me there is no end to the appeals, so eventually you are going to get to the end board or whatever that is going to look at it. Every letter that comes back with a decision says, "Of course, it is always open to appeal."

Is there any end to the appeals? Can you tell me what is the largest number of appeals that has happened in an individual case?

**Hon. Mr. Alexander:** I cannot, but perhaps Mr. Cain can.

**Mr. Warrington:** I can. At the appeal board in 1983 the issue before the appeal board more than any other was quantum of permanent partial disability pension. They wanted more permanent partial disability.

That was the number one issue. Number two was further entitlement. Number three was initial entitlement.

**Mr. McKessock:** My question really is, on one claim, looking at one individual, what has



been the largest number of appeals by any one individual.

**Mr. Warrington:** By any one individual?

**Mr. McKessock:** It seems there is no end to the appeals. I wonder sometimes how many appeals an individual actually has had in an individual case over the period of several years, say, that it goes on and on.

**Mr. Warrington:** We have more appeals in Ontario than in any other jurisdiction. Basically, there is the claims review branch, which Mr. Cain will describe in a few minutes; then we have the claims adjudicator, a single-person appeal; and then we have an appeal board, which is the three-person appeal board. That is the final step in appeals. Of course, after that there is the Ombudsman.

**Mr. McKessock:** I have a case somewhere in my files here that is very thick and I know there have been several appeals. If you look at an individual case—and I do not know whether any of you have done that or not—and say, “This case has been before the board a lot of times,” I wonder how many appeals he has had. Would it be, say, three appeals, or would he have 25 appeals over the lifetime of the claim, which would be maybe eight or 10 years?

**Mr. McDonald:** For any decision that is rendered by an operating division, whether it be initial entitlement, restricted entitlement or quantum of permanent disability, the worker can appeal that specific issue. So the possibility certainly exists of his going to the board on more than one issue, but he can do so only once on that one issue unless new evidence can be presented.

I am not aware of any statics that would tell you that Joe Smith has been to the board on 15 different occasions on 15 different issues. He can appeal on medical aid and he can appeal on rehabilitation; these are two more issues. He can appeal any decision that is made affecting him and go through the whole appeal system on that particular issue.

**Mr. Warrington:** I know of a very few injured workers who have appeared before the board four or five times, but they are very rare. As Mr. McDonald has explained, it would have to be a different issue each time, assuming it reaches the appeal board level.

**Mr. Lupusella:** To proceed with different issues, let us go into the principle of Bill 101. Subsection 3(7) reads: “Where an injury is attributable solely to the serious and wilful misconduct of the worker, no benefits or

compensation are payable unless the injury results in death or serious disability.”

The act lacks a definition of “serious disability.” I foresee many problems. Will you please enunciate for us—and maybe the chairman can do so because he is a lawyer—what kind of policy the board has developed to define the term “serious disability”? I foresee so many problems with this issue that it will be unbelievable. The discretionary power the board is going to have under this particular section will be so great as to deny any particular claim.

**Hon. Mr. Alexander:** I am pleased you have confidence in my legal ability, but I think I will pass this one on to Mr. Doug Cain.

**Mr. Laughren:** Who is not a lawyer.

**Hon. Mr. Alexander:** Who is not a lawyer.

**Mr. Cain:** That particular subsection is in the current act, and the policy that is current will continue; that is, “serious disability” is a disability that lasts more than six weeks or results in a permanent impairment.

**Mr. Lupusella:** So the same policy will be implemented under the new act.

**Mr. Cain:** That is correct.

**Mr. Lupusella:** Okay. I wanted to know where the board stands because I had the impression that, as a result of Bill 101, a new set of policies would be set up to change what had become archaic. Old principles were to be replaced by new ones to make sure the system would work more smoothly.

**Mr. Haggerty:** Why would you take six weeks, not three weeks or three days?

**Mr. Cain:** Unless someone else from the board can answer, to my knowledge it is probably an arbitrary figure out of history. I do not know why it is six weeks. However, when one refers to a serious disablement or disability, just in normal thought one would not think of it as three days. That usually is not construed as a serious disability. Some people might say six weeks is not terribly serious and others would say three weeks is. It seems to be a fairly arbitrary, probably reasonable figure to choose.

**Mr. McDonald:** I would have to suggest, Mr. Haggerty, that in practice the section is not used very often. On occasion, you get an individual who may have deliberately not followed a safety instruction such as wearing a hard hat or boots. What we would be looking at is the individual who has been warned. There is documentation he has been instructed he is not to wander on to work



premises without a hard hat, protective eye glasses and boots.

Usually there is a very short period of disability in these instances. The individual can get a foreign body in his eye and be off for a couple of days or something of this nature. The section is there for when there is a serious disability. Even though the worker has in effect gone against the safety regulations, he will still be compensated in that case.

**Mr. Haggerty:** How do you draw that relation when you are dealing with industrial diseases, though?

**Mr. McDonald:** It has never been used in the case of an industrial disease.

**Mr. Cain:** From my personal experience, I have to say I suspect that section is not used more than three times a year and I do not think I am exaggerating on the low side when I say that. It is rarely used because rarely can employers show they enforced their rules to the extent we expect, to be able to say this workman did what the section describes as what he must do.

**Mr. Haggerty:** When you talk about wearing a hard hat, I recall a particular case that was in the paper. It might have been when we had a person working for the Canadian National Railways, if I am not mistaken. Because his religious belief would not permit him to remove his turban, the decision was brought down that he could work without wearing a hard hat. We could be running into difficulties in this area, too, if we say that because of religious belief it is all right not to do this or that. It could be challenged by the courts. I think the decision at that time was that the person did not have to wear a safety helmet.

**Mr. McDonald:** That decision has been overturned by the court, Mr. Haggerty.

**Mr. Haggerty:** I was not aware of that.

**Mr. McDonald:** It was in Manitoba and he has been required to wear a hard hat. Otherwise, he is not allowed to do the job.

**Mr. Lupusella:** If I may proceed, Mr. Chairman, to section 8 of Bill 101, which is a medical examination of a worker by the employer's doctor. As you and some members are aware, we moved some amendments in the Legislature to delete that particular clause.

**Mr. McDonald:** Excuse me, what section are you referring to?

**Mr. Lupusella:** Section 8 of Bill 101.

**Mr. Cain:** Section 8 of the bill, under section 21 of the old.

12:10 p.m.

**Mr. Lupusella:** Oh, I am sorry. We were against it because this section constitutes a violation of rights under the Charter of Rights and Freedoms. We raised the issue because this provides an opportunity for collusion between an employer and doctor and will lead to fragmentation of the medical profession into pro- and anti-employer doctors. Also, the standing committee on resources development recommended repeal of sections 21 and 22 of the present act.

I would like to know the policy of the board in relation to these sections. I would like to know how it would be applied in the case of injured workers refusing, by their own will, to appear before an employer's doctor? Have you developed any new policy in relation to those two sections?

**Mr. McDonald:** I think the section is self-explanatory. What policy did you have in mind?

**Mr. Lupusella:** In cases of an injured worker refusing to appear before an employer's doctor, what is going to happen to the injured worker? Have you developed any policy with regard to that? I know the sections are self-explanatory.

**Mr. McDonald:** The employer has the right to appeal the decision to the appeal tribunal.

**Mr. Lupusella:** Maybe you misunderstand my message. The employer, under this section, has the right to refer an injured worker to the employer's doctor. Have you developed policies to cover cases where the injured worker refuses to appear? Or are you going to read me these sections as they are? What course of action would you take against the injured worker?

**Hon. Mr. Alexander:** Sections 21 and 22 as amended indicate what happens, but that is subject to appeal. I know there are sections that follow. This is a clarification of two sections that, for want of better words, lack finality. Section 21 now indicates the right of the employer, which now gives the right of the employee—

**Mr. Lupusella:** To appear before a practitioner—

**Hon. Mr. Alexander:** But it also gives him the right to appeal.

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** There are sections in the act after that which indicate, if I am not mistaken, what happens after the appeal if it is stated that he should appear and he does not do so.

**Mr. Lupusella:** I understand the content of the sections. I was simply asking whether or not you have developed a set of policies to further clarify the course of action against the injured worker in relation to benefits. If his benefits were to be cut off, what does he have to do? I understand that the employer has the right to appeal in cases where the injured worker will not appear before a practitioner suggested by the employer. However, what will the board do about payments to the injured worker in such cases?

**Mr. Haggerty:** He is asking if you are changing the regulations.

**Mr. Lupusella:** Right.

**Mr. Cain:** Until we receive a medical report or an order by the external appeal tribunal, those two subsections do not involve the board. We wait, and we keep doing whatever we are doing if we think it is right.

**Mr. Haggerty:** By regulation.

**Mr. Cain:** If we get a medical report, we have to look at it, or if we get an order from the external appeal tribunal, we will have to act on it.

**Mr. Lupusella:** In other words, until the employer appeals or takes a course of action against an injured worker who is not willing to appear before a practitioner, payments will continue. Am I correct?

**Mr. Cain:** Everything else being equal in the file, the payments will continue. That section does not say the board will stay payments, withhold or do anything. The board will continue its course of action.

**Mr. Lupusella:** With regulations?

**Mr. Cain:** I do not think any regulations are needed.

**Mr. Lupusella:** There is no need for regulations?

**Mr. Cain:** That is an assumption. I am no lawyer.

**Mr. Lupusella:** That is why I raised the question to the chairman.

**Hon. Mr. Alexander:** I think I did mislead you.

**Mr. Chairman:** Unintentionally.

**Hon. Mr. Alexander:** Unintentionally, I brought the wrong information to your attention. I know what Bill 101 does. "Sections 21 and 22 of the said act are repealed and the following substituted therefor." Section 22, which had provisions in it with respect to injured workers, is

gone and the section we have here now is a revised section 21.

**Mr. Lupusella:** So actually the statement made by Mr. Cain will stand. Until the employer appeals the issue before the independent tribunal system, the injured worker will not be penalized with a cut in his payments.

**Mr. Cain:** The act does not give us the right to stop or reduce payments because a worker refuses to go to the doctor prescribed by the employer.

**Mr. Lupusella:** I am pleased to hear that. I am sure you will find many injured workers who will refuse to appear before a doctor suggested by the employer. As a result, do you foresee an increase in appeals before the independent tribunal system? I am sure this is a controversial section.

**Mr. Warrington:** This is only a guess on my part, but I would expect in the beginning the external appeals tribunal will be tried on, if you will. They will get a lot of letters asking for leave to appeal to the external board. I anticipate that, but the number accepted as legitimate appeals is another question because in order to seek leave to appeal or to have it accepted, there would have to be new evidence much like our present section 76.

**Mr. Lupusella:** If I read the act correctly, the appeal tribunal panel will have the right to refer the injured worker eventually to—

**Mr. Warrington:** A medical review panel. If it is a medical issue in dispute they have a right, that is correct, sir.

**Mr. Lupusella:** Do I understand correctly that if the injured worker refuses to appear before an employer's practitioner, it is a medical issue that will be dealt with by the independent tribunal panel?

**Mr. Warrington:** In general, I think that is a good assumption. It is difficult to generalize on that, but yes, if the question is the medical practitioner then the dispute is likely medically oriented.

**Mr. Lupusella:** The reason I raise this issue is that I was concerned about the course of action that would be taken by the board against the injured worker. I was of the opinion the board would be inclined to cut the benefits of injured workers who refuse to appear before an employer's practitioner.

**Mr. Warrington:** Mr. Cain explained that adequately, sir.

**Mr. Laughren:** Have you ever thought of moving the adjudication department into the



medical division, since that is who does the adjudicating now anyway?

**Mr. Warrington:** I do not agree with that comment.

**12:20 p.m.**

**Mr. Chairman:** Is Mr. Lupusella leaving us now? Is he finished his presentation?

**Mr. Laughren:** I think I just offended him. No, I do not think he is finished.

**Mr. Chairman:** Why did he not say something before he left—excuse himself or something?

**Mr. Haggerty:** Mr. Chairman, I have a supplementary going back to the original question on the matter of funding workers' compensation and I would like to have some further clarification on that funding. In the *Globe and Mail* on Tuesday, it was reported that Manville Corp. in the United States is being taken to court on workers' compensation matters. They had to sue Lloyd's of London and a number of other insurance companies to cover the cost to injured workers, particularly in relation to respiratory diseases.

During the debate on Bill 101, I raised the matter of Dow Chemical Co. which was being taken to court on a settlement in the United States in regard to injuries to employees. I wonder what position the Workers' Compensation Board is prepared to take when we take a look at the situation of Manville in Ontario. I understand they are no longer in operation but they have a number of outstanding claims pending for possible compensation.

What do we do in this instance with the unfunded liability? How do we go after them in the case where a number of awards are made to persons who have developed respiratory tract disease after working with asbestos? How do we go after a company that is not in business any more?

**Hon. Mr. Alexander:** Mr. Russell is here and he may be able to answer that question. I hope he will be able to give you something. I know of the issue. Perhaps Mr. Reilly could start off for us and let you know what has happened since the board has been involved with Manville, which went out of existence. I think you will find they have set up another company, doing similar work or work that leads one to believe that Manville is still around. I think that is the best way to put it.

**Mr. Reilly:** When a company ceases operations in Ontario and there is no longer a source of revenue from that company, if claims do arise and the individuals have entitlement under the

act, their claims will be honoured and paid and the costs will be charged against the accident fund. Other employers in that industry who are still continuing will be responsible under the collective liability principle.

**Mr. Haggerty:** How can they be liable if they are not in business any more, particularly companies that go into bankruptcy and have a number of injured workers on claims? I think the report mentioned something about the difficulties at Manville in getting settlements for injured workers and where the money was going to come from. If you are going to have problems compounded in this area, you will never get to the bottom of correcting the problem of unfunded liability. I raised this the other day but, for some unknown reason, I cannot find the article. I thought I had it with me this morning.

It raised some concern with me that we may have the same problem here. I suggested the other day you should be looking at additional bonding by the industry itself and perhaps open the door for new industries to locate in Ontario. We should have some guidelines to protect existing industries so we do not get fly-by-night operations that, once they are established here, want to change their policy and locate in another country. We have had it with Westinghouse and with General Electric, which has pulled out of some of its operations and gone somewhere else. We could have the same thing happen again. When it comes to assessments, the older industries or the new industries coming on have to pick up the tab for the errors in calculation and misjudgements that took place in the past.

**Mr. Reilly:** You are thinking of offshore companies?

**Mr. Haggerty:** Yes. We have it with Johns-Manville now. Is this matter going to be compounded with the new changes in technology? Looking at the new changes in technology, I think of the Saturn project that General Motors is coming forward with now. For example, it now takes 205 hours to build an automobile. With this new program, they can complete that car in 30 hours.

One can look at a number of employees who will lose their jobs over this, a number of whom who are going to have workers' compensation claims, assessments against injuries. If the employers are not going to be picking up that tab by their assessment, who is going to pick it up? Are we going to spread that out through all the other employers? That is not justified.

**Mr. Reilly:** To the other employers?



**Mr. Haggerty:** That is right. This is happening today.

**Mr. Reilly:** I will speak to our actuary at the lunch break and I will get back to you in the afternoon. How is that?

**Mr. Chairman:** Thank you. It is probably time for the break.

**Mr. Haggerty:** I may find that article.

**Mr. Chairman:** Before we do, I would like to have an indication of how many will be definitely attending on Tuesday to take the bus from here out to the rehab centre—those who definitely intend to take the bus. Four. Mr. Haggerty, can we count on Mr. Mancini to attend? It was his suggestion. I would think he should be here.

**Hon. Mr. Alexander:** Mr. Chairman, in order to get the game plan, could we bring Mr. Haugh on now? I think he wanted to ask a couple of questions about this visit. I do not want to keep the committee longer than it had anticipated for a break. Mr. Haugh, could you sit at one of the microphones there?

**Mr. Laughren:** What is this for?

**Hon. Mr. Alexander:** Your hospital visit.

**Mr. Haugh:** I just want to find out whether there are any special things people want to do or see at the centre.

**Mr. Laughren:** I think all the committee members have a copy of the letter by the Association of Injured Workers' Groups about the committee sitting down—just the committee members, not the board officials—to talk with representatives of the people at the rehabilitation centre even if it is for only half an hour or an hour. I do not think it is a case of getting into individual cases. I do not think the committee members want that. It is a case of talking about the rehab centre.

**Mr. Haugh:** Sure. They talked about the members of the Monday night patients' representative committee. Certainly, we could arrange that either at the lunch break or at the 4:30 p.m. break. It is your choice. I guess the lunch break would be the most appropriate time. There is no problem with that at all.

**Mr. Lupusella:** Injured workers will not miss their lunch as a result of that?

**Mr. Haugh:** What we could probably do is have a place where you could have lunch with the members of that committee to have that discussion.

**Mr. Laughren:** That is better.

**Mr. Chairman:** I think we talked of going just for the morning and being back here for two o'clock in the afternoon.

**Mr. Laughren:** We can play that by ear.

**Mr. Haugh:** We will try to find an appropriate time for that. We do not, obviously, want to interrupt anybody's program. Let us try to find an appropriate time when that could occur. That is no problem.

Is there any part of the centre that someone has a particular interest in? Otherwise, we will do a general overview. I do not know how else to handle it. If there is anything in particular someone has an interest in, I would be happy to include it.

**Mr. Laughren:** Make sure we see the room with the two-way mirror.

**Mr. Haugh:** Absolutely.

**Mr. Lupusella:** I had an opportunity to visit the rehabilitation hospital of the board on several occasions. I think members of this committee would be interested, if I can speak on their behalf, in the nature of the treatments injured workers are receiving.

**Mr. Haugh:** Sure.

**Mr. Lupusella:** It would be useful to have an overall perspective about certain complaints about which we hear from time to time. It would be a useful exercise really to know what is going on in relation to the principle of treatment.

**Mr. Haugh:** You are talking about seeing the treatment areas?

**Mr. Lupusella:** Yes.

**Mr. Haugh:** There is no problem there. Physiotherapy, occupational therapy?

**Mr. Lupusella:** Right.

**Mr. Haugh:** That was intended, certainly.

**Mr. Lupusella:** I think there is an agreement there.

**Mr. Haugh:** The gym also.

**Mr. Lupusella:** I saw the hospital four or five times.

**Mr. Haugh:** There is no problem at all with touring the treatment areas. There will be a member of the medical staff available to answer questions about the treatment program and there will be an overview of the program before we take the tour so people are aware of what we are seeing on the tour.

The committee recessed at 12:29 p.m.

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Haugh, G. A., Executive Director, Communications Division  
McDonald, J. F., Executive Director, Claims Services Division  
Reilly, R. D., Assistant General Manager, Executive Division  
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No. R-51

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1983

#### **Fourth Session, 32nd Parliament**

Thursday, February 7, 1985

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, February 7, 1985

The committee resumed at 2:07 p.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983 (continued)

**Mr. Chairman:** Mr. Haggerty, you had the floor when we adjourned for lunch.

**Mr. Haggerty:** Mr. Chairman, I left you a copy of an article in the *Globe and Mail* on February 5, 1985.

**Mr. Chairman:** Okay, carry on. I will look for it.

**Mr. Haggerty:** I made reference to this article in the paper. It is by the Associated Press and is in the Report on Business of the *Globe and Mail*. It is entitled, "Manville Reaches Settlements with Three More Insurers." It reads as follows:

"Manville Corp. of Denver says it has reached a settlement with three major insurance carriers over payment of millions of dollars' worth of asbestos-related health claims.

"If approved by the United States bankruptcy court in New York, the settlements would end the majority of Manville's disputes with insurance companies over payment of the claims.

"The three insurance carriers—Insurance Co. of North America, Midland Insurance Co. and Allstate Insurance Co.—have agreed to pay up to \$112 million (US) under the settlement, Manville said, nearly as much as Manville had sought.

"Manville filed a lawsuit in 1981 in US District Court in San Francisco against about two dozen insurance companies that had provided liability coverage for Manville since the Second World War. At issue was which companies were responsible for paying thousands of asbestos-related health claims.

"Last summer the company reached agreement with Travelers Corp., Home Insurance Co. and a British consortium led by Lloyd's of London. That agreement settled about half the claims Manville had made in the lawsuit. The settlement amounted to about \$315 million."

It goes on to say later in the article:

"For years asbestos was used to fireproof and insulate buildings, until scientists learned it can

cause cancer or an emphysema-like condition known as asbestosis.

"Manville also faces more than 19,000 health claims mounting into the billions of dollars from individuals or survivors of people who said they were injured by contact with asbestos."

I bring that to the attention of the committee. I mentioned before about the industries that may go into bankruptcy or cease operations in Ontario and close their doors due to the economic climate.

I know there are difficulties in your rate assessment to the industry and they are a little bit uptight about the proposed increased rates to them. There have been a number of industries that have ceased operations in Ontario that perhaps will have related accident claims against them, or some of the latent industrial diseases may show up five years down the road when the business is no longer operating.

I feel it is unjust that someone has to pick up the cost of this and that it is spread over the present assessment increases to all the remaining industries in the province at a considerable cost. I am concerned about the unfunded liability which may increase in the years to come in this area.

I suggest that maybe the compensation board should be buying additional insurance, even from Lloyd's of London, which is perhaps one of the most reliable sources of insurance, and that would cover the loss of these industries that may go down the tube or cease operations in Ontario.

Someplace along the line we are going to have to find some way to protect the existing industries in Ontario. We can see, through new technologies, that fewer and fewer people will be employed in industries. I suggest that is going to cause you some difficulties.

The chairman says he is concerned about the unfunded liability. It could increase in this particular area unless some steps or measures are taken to reduce the possibility that there are going to be a serious number of future claims, particularly through industrial diseases.

**Hon. Mr. Alexander:** Mr. Haggerty, all I can say at this particular time, though Mr. Reilly may add something to what he has already said, is that what he has indicated would be that a collective liability approach to workers' compensation looks after this particular situation.



I think I was mentioning earlier that there are certain policy decisions that would have to be made by the new corporate board, whoever that may be and whoever is going to be in on it. Things such as this, I think, would be appropriate to place before the board. They could look at your first suggestion. I think you talked about bonding and then you talked about additional insurance.

There is no such right within the act to consider that sort of thing, but I think it should be worthy of some very serious consideration. I would think this is the sort of thing we could bring before the policy part of the new board's deliberations.

However, right now, the whole collective liability process under the Workers' Compensation Board looks after this sort of thing. In other words, if a person has been injured or a person has been disabled, then he is going to get money. In the long run, the cost of it is going to be apportioned within the industry and/or within the whole gambit of industries. Right now, that is the approach to it we take.

I think you have a point in that it should be looked at. I can undertake that it will be looked at to see just what is the next step or whether this is a satisfactory step and whether it is going adversely to affect the unfunded liability in the long run.

Right now, I think the collective liability principle philosophy of the board looks after contingencies such as this. As to whether it is satisfactory or not, up to now I guess it has been. But there is a possibility of firms going bankrupt or being in a layoff situation—not only bankrupt but also going out of business perhaps through no fault of their own. I think it is a point that has been well registered and I am sure we will be looking into it. For the moment, it is a whole collective liability. It is a shared cost by industry.

**Mr. Haggerty:** I appreciate your comments. The other area of concern I have had is with some problems in handling an appeal, particularly relating to a third party who was involved in an accident. In one particular case, a chap was doing some work at General Motors in St. Catharines; he was with the iron workers. He was hit by accident, though not by one of the vehicles he was handling, but somebody else had run into it. There was a third party involved in it, another contractor on the site.

It should have been explained in more detail to him when the claim was accepted by the board that there was this option to go after the third party for a settlement. It has gone by now, and after seven years he does not have a chance and

neither does the board. There are areas you should perhaps be looking at where further action should be taken. When there is a third party involved, his insurance should be picking up some of the costs instead of inflicting a direct cost on workers' compensation, or not even giving an award to the injured worker on it.

**Hon. Mr. Alexander:** I think there is. I think you are talking about a third-party accident which can result in this.

**Mr. Haggerty:** I know there are provisions so that they can go after this.

**Hon. Mr. Alexander:** There is an election form that is used. I will not go into details because I do not know much about it other than to give you the broad impression I have that there is an election used by the injured worker. If he has the right to sue, he can, but in the meantime he can take benefits from the board and we are subrogated to his right. We then sue, and if there is anything left over, as the case may be, he will get it.

**Mr. Haggerty:** I know you have provisions there. How many cases do you have in a year in which you can proceed in this area if you want to move in?

**Hon. Mr. Alexander:** I will have to get that information for you. I do not think it is in our report. I think you are talking about third-party suits, how many we have had over a year and how much we have collected.

There has been some question about how much we have collected. On page 27, in 1983, it was something like \$1.87 million collected from third parties. The process is there.

Maybe one of my colleagues can advise when the injured worker is informed that he does have a right. He can either take compensation or he can sue, but if he does take the compensation, we are subrogated. I see Mr. John McDonald looking at me. Perhaps he can carry on from there.

**Mr. McDonald:** On the report of accident which we request from the employer, there is a statement as to whether or not there is a third party involved in the accident. As soon as a third party is identified, we seek advice from our legal services division as to whether or not such right does exist and we issue an election form to the injured worker advising him of the option of taking action or electing to seek compensation.

In certain circumstances, if both employers are covered under the provisions of schedule 1, then both of the parties in their course of employment have no right of action. However, if the third party is to blame, we would consider a transfer of

costs from one employer classification to the other. That is another option.

**Mr. Haggerty:** But the claimant—

**Mr. McDonald:** He is advised.

**Mr. Haggerty:** The claimant is given this legal advice on what his rights are? Sometimes I do not think it is explained to him in detail that he has that option, that perhaps he should proceed and advise the board to move in that area. He gets the thing and asks, "What is the option?"

If a person is employed by a Canadian firm working in the United States and there is an accident there, he has the right to take that option there. He can go after them either over there or on this side.

**Mr. McDonald:** There is a letter to the man telling him he does have that right. What he is normally going to do is consult a solicitor. We cannot tell him, "You are better off to do this or do this." That is a decision the injured worker has to make himself.

**Mr. McKessock:** I am sorry, I came in late. Are you saying that if he does take the third-party action, then the workers' compensation bows out?

2:20 p.m.

**Mr. McDonald:** That is correct. If he subrogates his claim to us, then we would take the action on his behalf, in his name, and any recovery over and above the costs of the claim would be given to the injured worker, less whatever the costs were related to our obtaining that recovery, such as any court action or whatever. It would be considered by our legal services division.

**Mr. McKessock:** He would probably take the route of letting you do it for him unless he thinks his legal services are better than yours.

**Mr. McDonald:** Do you want my strictly personal opinion?

**Mr. McKessock:** Yes.

**Mr. McDonald:** I agree with you.

**Mr. Chairman:** Is this a conclusion or are you still on it?

**Mr. Lupusella:** It is diverting funding from one level of power to the other, the Ministry of Labour.

I was shocked by the position taken by the government on Bill 101, specifically by the imposition of a ceiling. You know where we stand on that issue. More surprisingly, Professor Terence G. Ison was appointed by the Minister of Labour (Mr. Ramsay) on a contractual basis to make recommendations on issues dealt with in

Bill 101. As a result of the passage of that law, we know where the government stands.

Referring to the ceiling, Professor Ison stated in his report: "The original justification for the ceiling rested upon a false assumption. It was assumed and asserted that a worker with earnings above the ceiling would be ensured the additional earnings by making his own arrangements with an insurer. That was generally not so."

There is that study by Professor Ison. We understand that the majority of workers do not reach the maximum of \$31,500 set by Bill 101. We know the formula accepted through Bill 101 and the legislative process of 90 per cent of the net. Workers at the lower level are going to lose some money and in the course of the debate we demonstrated why.

Why did the government appoint people to express opinions? We had Professor Weiler's report. We had the government white paper. Then Professor Ison was appointed to make further recommendations to the Minister of Labour, and the minister, on behalf of a decision taken by the government, is rejecting even his opinions. Professor Ison was opposed to the ceiling. I think he was on our side. He was supporting our position that no ceiling be set in Bill 101.

Do you have any justification for the consistent repudiation by the government and the Minister of Labour, even of the recommendations of Professor Ison?

**Mr. Gillies:** I will say a couple of things about that.

I am trying to recall the figure, but with the ceiling we now have set under Bill 101, a very high percentage of all workers would be covered under that ceiling. I believe it is 95 per cent. I do not wish to rehash at length the arguments we made during the committee hearings, but the vast majority of workers would fall under that ceiling regardless.

With regard to the professor's study, it would seem in keeping to me with the other steps we have taken through Bill 101 to make the board and its processes and the ministry's responses to these issues more broadly consultative and representative. Just as the corporate board will be moving towards a more broadly representative makeup, so the minister likes to consult with experts in various fields from time to time so he has the best feel for advice he is given on different issues.

I am trying to recall, as was Mr. Cain, whether that report was made available to the committee



during our hearings on Bill 101. I thought it came to light in one way or another.

**Mr. Chairman:** Yes, it was.

**Mr. Gillies:** Was it excerpts or the full report we brought forth?

**Ms. Dumbrell:** It was the full report.

**Mr. Lupusella:** I do not recall it.

**Mr. Chairman:** At least we had excerpts. It may have been the full report.

**Mr. Gillies:** There was so much material, but I recall at least parts of the report were put before the committee so you could share with us the advice given the minister on that issue.

Finally, there is just the other point. Mr. Lupusella, I do not want to rehash the whole thing again—

**Mr. Lupusella:** You do not have to.

**Mr. Gillies:** However, I was somewhat attracted to the 90 per cent net formula, because it gave a better break to many injured workers with dependants, children at school and extra expenses. I think many of them were given more by the net formula versus gross formula. While it may have a few specific problems, overall it was a move in the right direction.

**Mr. Lupusella:** You support your own position and that of the government and the 90 per cent of net makes sense to you. We were favouring 100 per cent. Therefore, we cannot accept the justification given by the minister at the time or the position taken by the government.

Professor Ison goes farther even on principles having to do with other matters, such as on page 46 of his report where he addresses the issue of indexing for inflation. He states: "The need for compensation benefits to be indexed for inflation is obvious." Again, that was completely rejected. It was a position reinforced by Professor Ison in his report, based on principles coming from Professor Weiler.

I think the Minister of Labour was ill advised on taking the positions he took in relation to Bill 101.

On the issue of the corporate board, Professor Ison recommends that it contain disabled workers. I believe you gave us some statements in relation to appointments, and this process is going on in the near future, but I would like to make sure that disabled workers will be appointed to sit on the restructured corporate board. I hope the minister will support such a principle, which has been called for by injured workers and their representatives and reinforced by Professor Ison as well. Do you have any idea whether the

minister will appoint disabled workers to the restructured corporate board?

**Mr. Gillies:** What I would say is that in Bill 101, workers are among the categories of people called for to join the corporate board.

**Mr. Lupusella:** It is vague.

**Mr. Gillies:** I am trying to remember the exact wording, whether it said "workers" or "representatives."

**Mr. Lupusella:** There is no specification.

**Mr. Gillies:** Yes. It says: "Not less than five and not more than nine part-time members who shall be representatives of employers, workers, professional persons and the public." Mr. Lupusella, it is not at all unreasonable to assume that from time to time some of the worker representatives on the new corporate board could have been injured at some point.

2:30 p.m.

**Mr. Lupusella:** If I may reinforce that principle, I think it is very important that disabled workers be appointed from the very beginning, because that would signal the development of something that in theory should be new. I would not like to see disabled workers appointed eventually to the restructured corporate board after three or four years, during which time certain guidelines and new directions would have already been set by people who, in theory and maybe in practice based on the principle of the section you just read, are representatives of the total population of the workers across Ontario.

Professor Ison makes specific reference to appointing disabled injured workers. Now you are expressing the possibility that in the future the minister may or may not appoint disabled injured workers. Do you have for us a clear indication of the minister's intentions regarding whether he will appoint disabled injured workers when the new, restructured corporated board is set up by appointing new people? It is a clear and direct question without going into various limitations.

**Mr. Gillies:** Yes. My clear, direct response is that to date there has been a request in writing from injured workers' groups. I believe it is the Association of Injured Workers' Groups—I may have to be corrected on that—that has requested the appointment of an injured worker or workers to the board. The minister has it under advisement and has notified it that it will be given every consideration along with other suitable applicants. So it has happened; the request has come forward and it is at this time being considered.

**Mr. Lupusella:** Let me understand clearly what you are saying, because again you are getting into vague statements.



**Mr. Gillies:** No, I do not think that is vague at all. The association has asked and the minister is considering it. It is not theory; it is fact.

**Mr. Lupusella:** Okay. I want to be really clear so there will be no misunderstanding. Even the section in Bill 101 is clear enough: representatives of the different sectors of our society, which means having representatives of injured workers. I might appoint someone like Professor Weiler, who is an expert on Workers' Compensation Board matters and injured workers' concerns, and, in the minister's opinion, he is a representative of the needs of injured workers. I might even get into other types of situations.

However, Professor Ison was really clear and direct, and there is no misunderstanding. He supports the principle that disabled injured workers should be appointed. He does not talk about representatives; the law talks about representatives.

If you appoint disabled injured workers, they will represent the needs of injured workers. I want to get a clear and straight answer from you concerning whether the minister will appoint disabled injured workers to sit on the new, restructured corporate board.

**Mr. Gillies:** I will be as clear and direct as I can.

**Mr. Lupusella:** Do not be vague.

**Mr. Gillies:** Okay. Let me tell you exactly what has happened. We have seen the section in the act—

**Mr. Lupusella:** I do not have any quarrel with that.

**Mr. Gillies:** —that calls, among other things, for—

**Mr. Lupusella:** The problem is that section was rejected.

**Mr. Gillies:** I remember that; it calls for workers' representatives. To date, before the July 1 proclamation of the bill, at this very time the Association of Injured Workers' Groups has asked formally in writing for the appointment of an injured worker or workers to the corporate board. The minister is giving it his serious consideration at this time, along with the appointment of other people from all the various representative types we have discussed in the bill.

**Mr. Lupusella:** In support of that application coming from—

**Mr. Gillies:** All I can tell you is that it is on the minister's desk and he is giving it every consideration.

**Mr. Lupusella:** I want you to be the messenger for something else besides that request coming from representatives of injured workers. Will you make sure he gets the message from my colleague the member for Nickel Belt (Mr. Laughren) and myself that we want a guarantee or a strong commitment that disabled injured workers—not representatives—will be appointed? If there is any misunderstanding of the issue, he should go back to page 43 of Professor Ison's report. I am sure then he will not misunderstand the message.

**Mr. Gillies:** I will give the commitment here and now that the appointment of the types of people of whom you speak will be given every consideration by the minister. It is now being given every consideration by the minister.

**Mr. Lupusella:** You are so persistent. Can you be more direct?

**Hon. Mr. Alexander:** No, you cannot.

**Mr. Gillies:** Let me turn it around on you a bit—

**Mr. Lupusella:** Do not turn it around.

**Mr. Gillies:** Seriously, talking about injured workers, you have a very legitimate concern.

**Mr. Lupusella:** Disabled injured workers.

**Mr. Gillies:** Yes. You have a—

**Mr. Lupusella:** Never mind their request. This is a different request.

**Mr. Haggerty:** He wants a political appointment.

**Mr. Lupusella:** I do not want a political appointment.

**Mr. Haggerty:** You may call it patronage.

**Mr. Lupusella:** I want disabled injured workers to be appointed.

Interjection.

**Mr. Lupusella:** Never mind their request. This is something else. This is a new request. Disabled injured workers—you cannot miss the message.

**Mr. Gillies:** Okay. You are saying then you think it insufficient that the association has requested representation on the board.

**Mr. Lupusella:** Never mind the association now.

**Mr. Gillies:** That is fine. I suggest that any suitable—

**Mr. Lupusella:** Say "yes" or "no" to disabled injured workers. Anything else, commitments like that—

**Mr. Gillies:** I urge you to bring forward now, or as soon as possible, the names of any suitable

disabled applicants for consideration by the minister.

**Mr. Chairman:** There is a deal for you.

**Mr. Gillies:** He cannot appoint somebody of whom he is unaware.

**Mr. Lupusella:** I am talking about disabled workers.

**Hon. Mr. Alexander:** He is now giving you the opportunity to canvass the field to put names on the minister's desk.

**Mr. Gillies:** How much more can I do? The minister may clip me for saying this: I cannot tell you here and now that any person—be that person disabled, a worker representative or an employer representative—is going to be appointed to the corporate board. But I can tell you that if you bring names of suitable applicants to me or to the minister—the very type of person you are advocating—we will make sure they get every consideration. I will make that commitment to you right here and now.

**Mr. Laughren:** Does the chairman have a say in this?

**Mr. Lupusella:** I know what he is looking for. The next provincial election is very close and he wants me to undertake this task instead of getting out and doing my work as a politician. At any rate, I want to hear—

**Hon. Mr. Alexander:** I would also put my position on the record. I would be delighted to see a disabled worker on the board. Such a person would be part and parcel—

**Mr. Lupusella:** He is more open.

**Hon. Mr. Alexander:** He is just as open. It is not my prerogative to appoint, but you should keep in mind that all we have is the increase from five up to nine—

**Mr. Lupusella:** I did not raise the issue before—

**Hon. Mr. Alexander:** We are going to have nine of these people, and I can think of a few fields straight off the bat. Management, labour and the farm community want representation; there are three gone already. There is a lawyer and a doctor; that makes five. Have I mentioned the injured worker? That makes six. Then there are some from where?

**Mr. Gillies:** A representative from the injured workers' group.

**Hon. Mr. Alexander:** Yes; representatives of employers, workers, professional persons—and that could include a lawyer, a doctor, a chiropractor; I do not know—and the public. But you only have nine slots.

What the board is looking for is the kind of board that will get input from various constituencies. Then when policies are handed down everybody is going to hang or sink with them. Everyone will have been part of the decision-making process with regard to policy.

2:40 p.m.

**Mr. Laughren:** I am uneasy with the chairman of the compensation board's grasp of this whole problem. I was reading about him in the Wall Street Journal at noon today.

**Hon. Mr. Alexander:** Me? In the Wall Street Journal?

**Mr. Laughren:** I think it was you. I wrote down this quote: "Top managers must learn to cultivate ignorance. The higher you go, the less you really should know about what is actually going on."

**Hon. Mr. Alexander:** That is not a bad statement. That is why you delegate authority, because in the long run, the less you know, the easier it is if anything happens on a lower level to say, "That it is wrong, and I am going to change it."

**Mr. Laughren:** Right. I understand that.

**Hon. Mr. Alexander:** Do you understand how the policy works now?

**Mr. Laughren:** I read the Wall Street Journal regularly. I am one of the few socialists who reads the Wall Street Journal.

**Hon. Mr. Alexander:** But I did not know I was quoted. It will be a welcome addition to my scrapbook, if it is a fact. But I do not think it is. Let me see it.

**Mr. Laughren:** It is from the Wall Street Journal. I would not make it up.

**Hon. Mr. Alexander:** I am going to put that in the priority part of my scrapbook. It is a good quote.

**Mr. Lupusella:** I left the floor to Floyd about the proposal made by Mr. Gillies. You have a right to your input on such undertaking.

**Mr. Laughren:** We have his undertaking now.

**Mr. Lupusella:** I hope Mr. Gillies will convey the message to the Minister of Labour. It is not a request coming simply from us. Professor Ison supports the principle of having injured workers sitting on the new board.

I do not think it is my duty to recommend the names. I am busy with my daily work as a politician. I hope he will announce by different means that whoever is interested among injured workers and so on should apply, and maybe

representatives of injured workers can name some other people instead of me undertaking the task of doing so.

**Mr. Gillies:** I know the association is monitoring these hearings very closely. They will be aware of this discussion and of your concern that injured workers themselves, as well as representatives, be included. Through the medium of these hearings, they will also be aware of my offer on behalf of the ministry to entertain any such applications.

**Mr. Lupusella:** Moving to a different topic, which is the experience rating plan for individual employers, I guess the chairman can brief us about the new approach that will be used and what kind of policies the board will have in place until such a plan is in place.

I know it is more or less different from the present method. An experience rating plan was rejected by us during the course of several debates that took place in this committee and in the Legislature. I hope the WCB has a central policy now that this experience rating plan is going to be applied to all individual employers.

I also would like to know whether such a plan is going to increase the total revenue coming from employers or whether this new experience rating system will diminish the total income of assessment coming from the employer groups covered under different stages of Bill 101.

**Hon. Mr. Alexander:** The board is involved in an experience rating plan right now. One of the plans is being devised by a construction association, I believe. One deals with frequency and cost and the other one deals with cost only.

These plans have been devised by interested parties for the approval, if you will, of the board, which we have given. They are out in the field now on a two-year trial period. The bottom line is that the good employer will be recognized and bad employers will be penalized. I guess that is how you can describe experience rating.

Mr. Neal would be able to be more specific, but there are a couple of plans out there now—I am sure there is one in the construction industry—that we have accepted. They are out in the field and we are getting feedback, but they are not really the board's plans. I think we should make that clear. In the long run, we will have something that will meet the expectations of all those who have an interest in experience rating. Mr. Reilly can give you more on that.

**Mr. Lupusella:** I understand this plan is going to be applied to all employers. My concern is to find out whether the yearly income coming from different stages of assessment getting into the

board's funds as a result of the new experience rating system will increase or diminish the funds. I am talking about global and total income. I am sure the board actuaries did some studies on that topic and got into the dollars and cents of the plan. I would like you to share this information with us if you have it. I am sure you must have it.

**Hon. Mr. Alexander:** I am sure Mr. Reilly can help you.

**Mr. Reilly:** Mr. Lupusella, as far as experience rating plans are concerned, there is a plan known as CAD-7, which has been developed by the construction industry in the province and has been applied to that industry. A second plan is being designed by the Ontario forest industry and has also been adopted by the petroleum industry. It is being looked at by several other industries at present.

These two plans will, as Mr. Alexander has said, recognize the safer employer, who is the one with the lower costs, as far as the second plan is concerned. The first plan will recognize both frequency and costs in the construction industry. They will not be a source of revenue to the Workers' Compensation Board. It will be a matter of distributing funds among the employers who act safely. The other employers will have a penalty against them.

**Mr. Lupusella:** I was more interested in the total income coming from this new plan when it is implemented. I understand how the system will work. An employer with a good record is going to have his assessment diminished, while one with a bad record is going to have his assessment increased. Playing with dollars and cents, will the total revenue from the experience rating system be as much as it is at present? Will it increase or diminish?

**Mr. Reilly:** The experience rating plans are not a source of revenue. They have not been introduced as a source of revenue for the WCB. They are there for the purpose of promoting safety within the employer community. They will not boost board revenue.

2:50 p.m.

**Mr. Lupusella:** I had a different impression of how the experience rating system will be implemented. Unless I got the wrong message while we were debating Bill 101, or even before, it appears the general funds of assessments will be applied as they are. The principle of the experience rating system will be in place in case the board, or the department looking after the assessments, notices companies with a bad record. They are going to have their premium or



assessment increased as a result of a bad record of accidents. The ones with the better record will have the assessment diminished.

Maybe I did not get the message straight from the beginning. I thought it was a completely different approach on the assessment per se for employers, but what this section is talking about is the implementation of a principle just to help employers with a good record and penalize employers with a bad record, and nothing else.

**Mr. Reilly:** It will help to promote safety within industry, we believe.

**Mr. Lupusella:** Indirectly, I see a manoeuvring of funds as well within the plan. Am I supposed to assume that the total income will be the same because it will be balanced, that there is no extra revenue coming from the employer's pocket and the bad apples, the bad employers who have a bad record, will pay more and the ones with better records will pay less? Will the balance be the same in relation to the total revenue assessment principle of money going into the board's funds?

**Mr. Reilly:** That is correct.

**Hon. Mr. Alexander:** It is really to promote safety.

**Mr. Lupusella:** The issue of prevention has always been vivid in our minds and in the minds of people on other sides of the House. I hope the board will now have the power to join the forces of the \$26 million that will be spent on accident prevention and all the public education programs you have in place to alert employers about accidents and so on.

Now you have some teeth in the law which gives you an opportunity to pinpoint the bad apples, the bad employers. I hope you will use this power wisely and strongly to deter employers with bad accident records in the work place. I hope you will do that. I am looking forward next year, if I have the opportunity to be the critic again, to seeing some concrete results in the 1985 annual report—

**Hon. Mr. Alexander:** The 1984 report.

**Mr. Lupusella:** When will it be implemented?

**Hon. Mr. Alexander:** The report?

**Mr. Lupusella:** It will be in 1985, I guess.

**Mr. Reilly:** The construction industry plan was implemented last fall and the forest products plan will be implemented this year.

**Mr. Lupusella:** I hope the number of total accidents will decrease in the annual report for 1985. I am looking forward to seeing the new

numbers. I hope it will be much less than 344,758 as a result of this section.

**Hon. Mr. Alexander:** I appreciate those remarks. On the experience rating plans that are in effect now, I am getting letters from certain employers who are dismayed at knowing they have to pay a little more money. Sometimes it is quite a chunk. In the light of the fact that it is not our plan, we have often told them to go to the office of the plan to register their concern about what it is doing to them as a business. In any event, it is the wish and desire of all of us to see that, in the long run, experience rating does mean something in terms of a safe work place.

**Mr. Laughren:** This is a supplementary. I believe there is a new division in the board that has to do with safety associations. I was confused when I heard about it, and I am still confused as to what it is. What it is for and what does it do?

**Hon. Mr. Alexander:** I have a booklet here. Two or three years ago, we found something lacking with respect to the operation of the safety associations, notwithstanding they were doing an excellent job in our view. But there was a question—

**Mr. Laughren:** There was something lacking.

**Mr. Lupusella:** Let us leave this argument aside.

**Interjection:** There is always room for improvement.

**Hon. Mr. Alexander:** We found that they should be more under the direction and control of the board. At that time, the board in its wisdom said we should bring about a new structure, keeping in mind that we were interested in a tripartite approach that had not been in existence at the board before, which was something a lot of sectors would appreciate.

Rather than the old safety education division, we now have the occupational health and safety education authority. It is made up of a representative of labour and a representative of business, and the two of them pick a chairman. That is the makeup of the authority with respect to the top level. The tripartitism is there. We canvassed industry and labour and I am pleased to say those slots have now been filled.

**Mr. Laughren:** Is that the one Mr. Cooke is on?

**Hon. Mr. Alexander:** That is right. He is the labour representative on the authority. You asked earlier who the chairman was and I mentioned he was Robert B. Bucher, so that is in place. As

well, there now is what is called the joint policy review board. I will read from the pamphlet.

**Mr. Laughren:** What does this have to do with this committee? Is it part of this committee?

**Hon. Mr. Alexander:** Just a minute. "The joint policy review board was established on July 1, 1984. The joint policy review board acts as a forum for management and labour to address problems of health and safety education, to make recommendations on these questions to the authority and to provide it with policy direction.

"The 12 review board members are appointed for three-year terms by the board after broad consultation with the labour and management communities. Members are chosen for their knowledge of and experience and interest in health and safety education. They are not expected to be advocates of any institution or interest group. Rather they will serve broadly the community from which they are selected. The chairman of the review board is also the chairman of the occupational health and safety education authority and two administrators sit on the review board as ex officio members."

What is extremely important is that once again we have approached the issue by way of tripartism and we now have in place 12 members from management and 12 members from labour—no, it is six and six.

**Mr. Laughren:** Your empire is big enough as it is.

**Hon. Mr. Alexander:** I do not know whether it is a big empire. I think it is an extremely important initiative that has been taken by the board.

**Mr. Lupusella:** Keep in mind the Roman Empire.

**Hon. Mr. Alexander:** As long as I am still king, everything is all right.

Let us read something else. "Relationship with the occupational health and safety education authority: Recommendations to the education authority by the review board will be acted upon when they are consistent with the health and safety education policy of the Workers' Compensation Board, consistent with Ontario's health and safety education structure, and within the financial resources made available for these programs by the Workers' Compensation Board.

"The review board is responsible for its own internal policy and procedure. Its financial requirements will be authorized by the education authority."

**Mr. Laughren:** It would be nice to have a copy of that.

**Hon. Mr. Alexander:** I will give you this copy. It is printed and is available.

3 p.m.

**Mr. Laughren:** I have trouble seeing how this fits in. You still have your safety associations out there in construction, mining—

**Hon. Mr. Alexander:** By way of the act, yes; construction, the Industrial Accident Prevention Association—

**Mr. Laughren:** Yes, but there are three safety associations; right?

**Hon. Mr. Alexander:** There are nine, but these are going to be reporting. The safety associations are under the control and direction of the authority, and feeding into the authority is the policy advisory group. The safety associations are the field people, if you will, who are there.

We indicated earlier that it would be nice if secondary school students would know what they are doing now. The authority and the policy advisory group will enhance or impact on what they are doing now.

**Mr. Laughren:** Do you think there is any hope that they could engage in some meaningful statistical collection?

**Hon. Mr. Alexander:** I am sure this is what they will be doing; there is no question about that.

**Mr. Laughren:** Could they advise the safety associations on the kind of advertising that would be more appropriate at this time?

**Hon. Mr. Alexander:** I remember you saying that before. All that is being looked at. There is a duplication of services there—advertisements, TV, the whole thing is being looked at now by this authority, which is advised by the policy advisers.

You can see, with all due respect to what has happened in the past, this is a much better structure. I say it is better because it is an improvement on what we had before. What is even more important, as I keep on emphasizing, is the fact that you now have management and labour—and I guess you know, Mr. Laughren, it is not always the easiest thing to bring them together—sitting down to determine what the safety education program of this province is going to be in the future.

I am very enthusiastic about it; I cannot help but be enthusiastic because, in the first instance, I must say there were some problems with getting the authority together. If you can understand, sometimes suspicions have prevailed but that came together. We were able to get Stewart



Cooke, John Ridout and Bob Bucher from British Columbia. I cannot give you the names of the six and six, but they are well represented.

**Mr. Wildman:** Can I ask a couple of supplementaries?

**Mr. Chairman:** Yes, welcome to the committee, Mr. Wildman.

**Mr. Wildman:** With regard to the comment Mr. Alexander made about the possibility of statistics collection and dissemination, am I to understand that one of the educational approaches that might be used by the authority would be to collect statistics on particular types of compensation cases that relate to industrial disease in certain work places and in different types of work places, and advise industry and labour of areas that seem to be of particular concern, say with regard to lung cancer and that type of thing?

**Hon. Mr. Alexander:** I cannot answer that directly but I think it is something they should be apprised of and I guess the policy advisory group would be interested in something like that. On the other hand, I must state that you more than likely know the new industrial disease standards panel is coming up now, which I think is moving in the direction you would like to see, and I think that is the sort of thing it could countenance.

I think both of those new bodies will be looking at the whole ambit of safety, industrial disease, the effectiveness of the programs and statistical information that can be gathered in order to see how they can improve on the programs.

I think the whole ball of wax is in the lap of the authority and the policy advisory now and a further ball of wax is going to be in place for the industrial disease standards panel. As you know, that is a very important initiative that has been brought forth by Bill 101.

**Mr. Wildman:** What is the budget of the authority? How much money does it have?

**Hon. Mr. Alexander:** I think it is around \$2 million or \$3 million, I am not sure. I think that is close.

**Mr. Haugh:** It is \$3.5 million.

**Hon. Mr. Alexander:** That is just for the authority. In other words, that is the expansion of our old safety education of business. I think the budget for the nine safety associations is around \$30 million in 1985. It was in the book for 1983 at \$26 million, I hear Mr. Lupusella stating.

**Mr. Laughren:** Could I ask you a question just one on one?

**Hon. Mr. Alexander:** Is this going to be a hot question, one on one?

**Mr. Laughren:** Just between you and me.

**Hon. Mr. Alexander:** Then let us have the room cleared. It cannot be between you and me if the whole room is listening, but let us go ahead. I am here to listen and take back.

**Mr. Laughren:** You say it is up from \$26 million to \$30 million now. I know you would not want to embarrass anyone, but so help me, I cannot see that almost \$30 million is wisely spent. Are you comfortable with that kind of money going directly, I gather, from the board to those associations? I really find it hard to take.

**Hon. Mr. Alexander:** Sir, I think I am relatively comfortable. When these associations bring their budgets before the board, they must justify their existence. We are talking about nine different safety associations: the Industrial Accident Prevention Association, the Construction Safety Association, the Electrical Utility and Safety Association, the Farm Safety Association, mines accidents, hospitals, transportation.

Have I left anything out? Yes, maybe two. They bring their budgets before the board. It is even more important now because we have this new authority that is giving us an excellent opportunity to peruse budgets, and say: "We are the experts on this level, being the authority and advised by the policy advisory group. We can tell you they are doing a reasonably good job. There are improvements needed. There must be more questioning with respect to particular programs."

I have taken a long run. Yes, I think we are satisfied up to a point, but I think there is always a need for improvement. In other words, we have to justify that money. It is coming out of the fund and it is supposed to promote safety education. We hope it has made an impact.

**Mr. Laughren:** I am not opposed to the principle.

**Hon. Mr. Alexander:** No. It is whether the money is well spent. I think we always have to look at budgets.

**Mr. Lupusella:** Am I correct in stating that last year you gave us a commitment, as a result of particular concerns raised by Mr. Laughren, myself and others, that the money was not well spent considering the number of accidents taking place in Ontario? We did not see any concrete improvement in declining numbers of injuries. Therefore, we recommended you revise the distribution and organizational aspect of the programs of these associations promoting prevention of accidents on the job. You gave us a



strong commitment that you and the board would do something about it in the changes you made.

**Hon. Mr. Alexander:** I do not see you reading from anything. I will just take it for granted you are close to what I may have said. However, I do not think I ever said the safety associations are not doing a good job.

**Mr. Lupusella:** We said it.

**Hon. Mr. Alexander:** You said I said that.

**Mr. Lupusella:** No, we said it.

**Mr. Laughren:** We said we find your advertising offensive.

**Hon. Mr. Alexander:** All right. Fine. I think that particular issue was with respect to asbestos. It is going to work.

**Mr. Laughren:** No, it was not just with asbestos. The general attitude is that the fault for accidents lies with the worker.

**Hon. Mr. Alexander:** We are looking at that as well. As a matter of fact, I think you brought up this particular advertisement—

**Mr. Laughren:** We bring them up every year.

**Hon. Mr. Alexander:** There was one that was more upsetting to you. That is what I was going to say.

**Mr. Lupusella:** The asbestos one was the worst.

**Hon. Mr. Alexander:** Those types of advertisements will be looked into. There is no question about that because everybody knows that certain people found that one offensive. Some people thought it was not. It delivered a message.

**Mr. Laughren:** It was dishonest as well as offensive.

**Hon. Mr. Alexander:** Well, I saw the ad.

**Mr. Wildman:** "If only we knew."

**Hon. Mr. Alexander:** Yes, "If only we knew."

**Mr. Wildman:** Do you think that was honest?

**Hon. Mr. Alexander:** Who was the "we"? Employers?

**Mr. Laughren:** Yes.

**Hon. Mr. Alexander:** Employers and injured workers—

**Mr. Laughren:** Do you think the employers did not know the danger of asbestos?

3:10 p.m.

**Hon. Mr. Alexander:** —and the audience.

**Mr. Wildman:** The first cases were brought up in the United States in the 1930s.

**Hon. Mr. Alexander:** Gentlemen, we can debate this—

**Mr. Lupusella:** This is one aspect of criticism.

**Hon. Mr. Alexander:** That is right.

**Mr. Lupusella:** One criticism was about the effectiveness of the structures and how the money was spent to prevent accidents.

**Hon. Mr. Alexander:** I have told you with the new authority—

**Mr. Lupusella:** With respect, last year we were not talking about a new authority. We were talking about the older structure, the old act and so on. I said I would have agreed there was no need for restructuring the methods and how the money was spent in 1982 if the statistical data on accidents across the province of Ontario had shown a decline.

In the past decade, I saw an increase in the number of accidents and, therefore, I concluded the \$26 million was badly spent. I drew your attention to that situation. I said something was wrong with the organization and how the money was spent, the nature of the programs and what they are doing to promote prevention.

You gave me a commitment that you would take a look at the organizational aspect.

**Hon. Mr. Alexander:** Right, and I complied. What did I just finish telling you, sir?

**Mr. Lupusella:** You were talking about something else.

**Hon. Mr. Alexander:** No, no. If you recall, what I said had to do with the safety education division, which now has the nine safety associations under its control and direction. We thought there should be a greater emphasis brought forth by a new kind of board division.

**Mr. Laughren:** They were not doing their jobs. We know that.

**Hon. Mr. Alexander:** In order to see the several concerns we had, as well as outside people, including MPPs, were dealt with, I then said we now have a new authority, which is tripartite. We now have a policy advisory group, which is also tripartite, looking into all the problems involved with safety education programs—budgeting, spending of money, etc.

I cannot do any more than that. All I can say is your concern got to us. We then moved in a direction which I hope you will accept. All I can say is I hope, as a result of labour and management getting together in these two new structures, you will see marked improvement. I think that is everybody's wish.

**Mr. Lupusella:** I would suspect this marked improvement should be in this annual report.

**Hon. Mr. Alexander:** You are back in 1983, sir.

**Mr. Lupusella:** We were talking of 1982.

**Hon. Mr. Alexander:** No, sir, I am talking about 1984.

**Mr. Lupusella:** We were talking of the spending of the \$26 million, which in some years even reached \$30 million.

**Hon. Mr. Alexander:** Everybody has an increase because of cost of living. Your salary goes up.

**Mr. Lupusella:** Although I appreciate the commitments you undertook to restructure that particular board by having more representatives of labour and so on, the money spent in that area still does not please me because there is no decline in the number of accidents.

**Hon. Mr. Alexander:** Sir, I would like to see a total wipeout of accidents. We are on target with that. You said it and I said it. The way to get rid of the board is to create a safe work place where there are no accidents, and if there are accidents, once the injured worker is rehabilitated, the employer rehires him or her. Then we have a clean sheet. You would not need me. You would not be in here.

That is the dream world. I think we have to be continually apprised of the need to upgrade safety education. We need to let labour and particularly management, which controls the work place, create a safer worker environment, whether we are talking about the plant per se or whether we are talking toxic substances, etc.

The message has to be spread by you and by me. I am telling you that within our authority and mandate we are trying our best to meet the commitment I know you would want us to meet by bringing about a closer scrutiny of the budgets of these authorities, seeing that the programs are contemporary and effective enough, seeing that they are making an impact on the accident rate. I hope you can accept that we are not doing a bad job.

**Mr. Lupusella:** I will accept the program if it will give me a clear indication that it is working.

**Hon. Mr. Alexander:** Time will tell.

**Mr. Lupusella:** Well, 1914. Okay, never mind.

**Mr. Wildman:** Mr. Chairman, the Wall Street Journal pointed out just recently that, for all the efforts to improve safety on the job, the

fact is that statistically workers are safer at home than they are at work.

**Hon. Mr. Alexander:** I can leave this place and fall on the floor there or I can be out in the garden cutting the grass. I think this is a very complex problem, but the question is, are we addressing it?

**Mr. Lupusella:** You are trying to address it, but the goal is not being achieved in the way you would like to see or in the way I would like to see.

**Hon. Mr. Alexander:** You bet. I would like to see a perfect work place and I know that is like whistling in the dark. That having been said, you must continually impress upon management, which is in control of the work place, and you must continually impress upon the worker that he has to be safety conscious.

Let me put it to you this way. I will just repeat myself. Yesterday we had a big TV interview. You may not have been here when I said this. A number of little children approached me when I was on TV trying to justify my existence. Somebody wants me to be fired—Alex Farquhar—and I know why, but that is beside the point.

A number of little children said, "We want your autograph." I said, "Do you know who I am?" I guess somebody must have told them. "Yes. You are the chairman of the Workers' Compensation Board."

**Mr. Gillies:** You said, "Yes, I am Alex Farquhar."

**Hon. Mr. Alexander:** Who? Me? Never.

**Mr. Lupusella:** He is a lawyer as well.

**Hon. Mr. Alexander:** That is what you say.

**Mr. Lupusella:** You are not respecting people of the same profession.

**Hon. Mr. Alexander:** He is lucky I mentioned his name, because I have been in this business long enough to know that you do not mention anybody's name; you do not give anybody any publicity. Okay, fine.

When these children approached me and they wanted to know who I was, I asked them, "Do you know what I do?" and they knew. They said, "You pay people who are injured on the job." I said: "That is right. Now I want you to go home and tell your daddy and mommy, particularly if they are working, to try to be as safe as possible at the work place, to look after themselves." This is the God's truth. I said, "As far as you are concerned, be careful when you are crossing the road; be careful when you are using tools, etc." That is the kind of thing all of us should be doing.

**Mr. Lupusella:** I agree with you and I agree with one aspect of this program, the prevention



of accidents. I think the media tool is effective, with some loopholes, the ones we described. But we support the principle of it.

**Hon. Mr. Alexander:** That stuff is expensive.

**Mr. Lupusella:** When I see a commercial on TV, I always call my kids to make sure they see it and know what is wrong in it; so I like that.

**Hon. Mr. Alexander:** Good.

**Mr. Lupusella:** But I think the programs that are in place for prevention are not giving the results as pilot projects that you would like to see and that I would like to see.

I would test the premise that if for a year you cut certain programs, except the ones that are part of the media, the radio devices and so on, and you cut and trim the other programs to find out if they really are worth using, then at least you will have clear evidence for saying, "Tony, last year you were wrong, because now the number of accidents has jumped to 450,000 injuries."

**Mr. Haggerty:** Was he wrong last year?

**Mr. Lupusella:** I have my own reservations that certain programs are effective.

**Hon. Mr. Alexander:** I can say to you that one of these days you hope to be the panacea as far as a member of the provincial parliament is concerned. You may have reached that stage already; I do not know.

3:20 p.m.

**Mr. Lupusella:** You are so optimistic. I do not know why you are so optimistic.

**Hon. Mr. Alexander:** Have you reached that stage now?

**Mr. Laughren:** Very close.

**Hon. Mr. Alexander:** I am the first to say the board is not perfect. However, I hope there is a public perception that we are trying to do the best we can under the circumstances. I know there are some who do not think we are doing a hell of a lot—excuse me, Mr. Chairman—but in the long run the proof will be in the pudding.

These things are always being monitored. We have a new authority. We have new expertise coming on board now that I hope will be the panacea. I cannot tell you now whether it is going to be a success in the long run, but I can—

**Mr. Lupusella:** My friend the Jesuit from Nickel Belt—

**Hon. Mr. Alexander:** Never mind the Jesuit.

**Mr. Lupusella:** —tells me that after 20 years of board history and after \$25 million or \$30 million being spent on the board, it still has not

reduced the number of accidents. I think you should give that serious thought.

**Hon. Mr. Alexander:** I disagree.

**Mr. Lupusella:** Never mind the panacea you dream about.

**Hon. Mr. Alexander:** He does not have any statistics. I disagree with him. This is a debatable point and I do not know who is going to win.

**Mr. Gillies:** Surely you would agree the move the ministry has taken in setting up the authority within the board is a move in the right direction.

**Mr. Laughren:** Why was it necessary?

**Mr. Gillies:** I have listened to you and your friend Mr. Laughren for several years complaining about the way the associations were functioning and the material they were putting out. Surely it is a move in the direction you have advocated for some of that responsibility to be moved into different hands.

With respect specifically to the asbestos commercial, we listened very carefully to the complaints you made in the House and in committee. My minister had some considerable discussions with the Industrial Accident Prevention Association which I think led to the removal of that commercial.

Two points: Would you not agree we are moving in the right direction? Would you not give the minister and the chairman some credit for listening to the very things you have been telling us for a few years?

**Mr. Lupusella:** We have been giving the opportunity for 70 years now. We hope that some day we will see some—

**Hon. Mr. Alexander:** Why do you not bend over backwards and be a little charitable? Why not say, "Chairman, thanks very much for moving in the direction we wanted you to go"?

**Mr. Lupusella:** I do not have any reservations about saying that.

**Hon. Mr. Alexander:** Say it.

**Mr. Lupusella:** I support what you have just said.

**Hon. Mr. Alexander:** I do not want to put you on the spot.

**Mr. Lupusella:** You do not have to. My friend the Jesuit is always telling me that history should be studied in order to move towards new directions. In three years' time we are still talking about the same problem.

**Hon. Mr. Alexander:** What I like about the committee is there is a reluctance by certain members to say, "Gee whiz, you have done a good job in that regard." I have heard that since I



have been here; a number of flattering comments have been made. I just wanted you to admit that. You have already done it; so I will stop talking so we can get to the next point.

**Mr. Laughren:** I want to make it clear that it is very hard to take for the son of an Orangeman to be called a Jesuit.

**Mr. Chairman:** That is a point of privilege, is it not?

**Mr. Laughren:** While we are on the subject of flirting with perfection, which the chairman claims my colleague is doing, I wonder if I could mention the director of the rehabilitation division at the Workers' Compensation Board, Mr. Darnbrough. He has not quite achieved perfection yet, but I want the committee to know that tomorrow he is celebrating a birthday. I would not want to guess his age, but a few minutes ago he had to go and sit back there because he was having hot flashes.

**Mr. Gillies:** Are they compensable hot flashes?

**Mr. Laughren:** In the rehab division they are.

**Hon. Mr. Alexander:** An early happy birthday. Let the record show Arthur Darnbrough is having a birthday tomorrow.

Mr. Chairman, shall we move along?

**Mr. Gillies:** We could be at this for two more days.

**Mr. Lupusella:** I will move along really fast, Mr. Chairman.

Going back to the principle of the experience rating system, I hope next year in the 1984 annual report we are going to have an opportunity to see some statistical data and breakdown of information about the issue.

I understand the Quebec report is by the Commission de la santé et de la sécurité du travail.

**Mr. Laughren:** That is very good.

**Mr. Lupusella:** I learned French with the Jesuits.

They release more detailed statistical data and so on. The chairman said he would undertake this new task, which will not cost the board any extra money anyway. In relation to accident prevention programs and the associations and how they spend the money and so on, I hope we will have a breakdown of information about that topic in the 1984 annual report.

The Quebec report also gives a greater degree of tabulated financial trend data by regions.

**Hon. Mr. Alexander:** Do you find it to be better, Mr. Lupusella?

**Mr. Lupusella:** I did not have time to go through the report, even though I understand and read French. However, the general principle that emerges from the Quebec annual report is that it gives more information to the public about the activities of the board with, for example, statistical data for each region of the province, the experience rating system, pensions and so on. It is something we would like to see incorporated in the WCB's 1984 annual report.

There was an improvement in the 1983 report in certain aspects and we give you credit for that.

**Hon. Mr. Alexander:** Perhaps I can stop you for a minute. I do not want to brag about this; however, I am a past president of the International Association of Industrial Accident Boards and Commissions, a group that comprises such bodies in the United States and all the jurisdictions in Canada as well as England and Australia—maybe it does not include England, but it is an international body. I am pleased to say that our annual report—am I mistaken, Mr. Haugh?—received the association's first prize last year and the year before.

**Mr. Lupusella:** What kind of prize did you get?

**Hon. Mr. Alexander:** It was a plaque saying it had won first prize for the best annual report.

**Mr. Chairman:** No cash award?

**Hon. Mr. Alexander:** No cash. I just wanted to let you know that even though you may find our report lacking—and we are continually striving to improve it—this august body, having looked at God knows how many annual reports, thought the Ontario report was excellent and deserving of first prize. Having said that, we do not stand on our laurels. We are going to improve so we can continue to get first prizes.

**Mr. Lupusella:** There is more room for improvement.

**Hon. Mr. Alexander:** Always.

**Mr. Lupusella:** I am pleased you support the principle of improvement and are taking our recommendations very seriously.

**Hon. Mr. Alexander:** I have taken everything you have said very seriously. We may laugh now and again, but that is just to bring a certain amount of levity here. Everything you say we take seriously.

**Mr. Lupusella:** Let us get to a different topic in Bill 101 now. There is a provision in the bill that talks about older workers. I think the section has to do with pension supplements. There is no

definition of an older worker. The act lacks a definition.

I wonder whether the board has formulated policies to define the term "older worker" and what age limit it places on the age so we can have a clear indication of what an older worker is.

**3:30 p.m.**

**Mr. Cain:** As you know, under the current act and the current policy "older worker" has been identified as a worker of approximately 60 years of age. As I understand it, when the ministry put in this subsection on the older worker, it deliberately made it vague so the board could identify in a broader way. I remember Mr. Gillies one day suggested it might be 57 years of age.

The point is that it is something under 60. While in most cases it will be effective with an individual who is probably in the high 50s in age, there is always that opportunity, should particular circumstances exist with a particular worker, that it could drop a little lower.

If it is identified with a specific age, you would be held to that age. Quite obviously, in putting in the subsection, it was intended to be "some age up"—some senior age, not a low age. It was deliberately vague. The board will identify it, I am sure, somewhere in the high 50s, but there may be the odd situation where it will be lower. Certainly when you go before the external appeals tribunal, it gives you a greater opportunity than if a specific age were identified.

**Mr. Lupusella:** Before I give a supplementary question to my friend, I would like to know whether the principle in regard to an older worker and the application of a pension supplement equivalent to the old age security pension is in place under the framework of the present act.

I wonder what age limit is in place now. Do you have an age spelled out by a specific policy of the board, or are you using discretionary leverage to find out whether an injured worker is eligible for a pension supplement equivalent to the amount of money coming from the old age security pension? Are you quite flexible, or do you have a set of standards to define the age of an injured worker?

**Mr. Cain:** I probably will simply repeat myself, Mr. Lupusella. I can only say it will be an age in the high 50s. It will be a general thing somewhere in the high 50s, with opportunity for a worker who may be not quite that old. In very precise circumstances one might be able to identify someone somewhat younger.

As you know, the person has to be someone with whom the vocational rehabilitation department has dealt and has designated as someone

who probably will not benefit from a vocational rehabilitation program. I can only reiterate that it is an older worker, someone around 57.

**Mr. Lupusella:** Let me ask Mr. Darnbrough then. There is a relationship between the application of such benefits to an injured worker and to a rehabilitated injured worker who will no longer benefit from the rehabilitation process. The rehabilitation counsellor, in most cases, recommends that the equivalent of the old age security pension will be given in the form of a special pension supplement.

What age are we talking about? Is it 52 or 55? Is it something your department, in accordance with the pension department, has flexibility to define according to the merits of a specific case? Is the age not very important in finding out whether a person is eligible?

**Mr. Darnbrough:** I should mention up front that we have not developed a specific age to determine that sort of entitlement. The policies associated with Bill 101 are under considerable review. Experience will show us some things we need to know before we make those decisions. I must hasten to add that age is not a primary consideration in vocational rehabilitation.

**Mr. Lupusella:** It is not the criterion.

**Mr. Darnbrough:** There are many aspects involved in determining whether the individual is interested in returning to employment and actively participating in doing so. We will be generating reports from vocational rehabilitation to the claims adjudication people, who will make determinations about payment of funds equivalent to old age supplements and so on, but there is no particular pattern or age that has been selected. Frankly, from a vocational rehabilitation perspective, I doubt I would be interested in trying to do that.

**Mr. Lupusella:** I am raising this question again because lately—not in my own riding but in different ridings, I do not know why, I am identified with injured workers wherever I go—I have seen letters from rehabilitation counsellors, who are the equal of your department, and I really praise the approach, recommending a pension supplement equivalent to the old age security pension because of the criteria you have. I am not critical about what the rehabilitation counsellors are doing.

I notice there is a change in the mood and approach, and it is what I would like to see instead of the injured worker fighting for something. The board must take the lead to give

benefits to injured workers because they are entitled to them.

The letter I saw was just a recommendation made by the rehabilitation counsellor. There were no specific criteria describing why the person was entitled. I was just curious to find out the criteria used.

I am sure you have been alerting the counsellors to use this approach, and again I praise it because I see a change of attitude. As the chairman said, it is a humanized approach, not because you are giving extra rights; you are giving something to which injured workers are entitled, without fighting. If this approach is going to be expanded on different levels and departments of the board, Mr. Laughren and I will have to applaud the action. Then we will not have to represent injured workers before the appeal board.

**Mr. Chairman:** Will you require further consultation on that?

**Mr. Lupusella:** It was an editorial. We will confess, in public.

At any rate, I praise the approach, but I still do not understand the criteria. I know the decision has to be made by the pension department. I do not know how it reaches the conclusion to agree with the rehabilitation counsellor and decide the worker is entitled to that benefit.

**Mr. Darnbrough:** The perspective we attempt to take, from a vocational rehabilitation point of view, is: what is realistic? When we discuss the situation with the disabled worker, we are looking at the person's level of interest in returning to employment. We look at language skills, education, level of disability, and then the age factor obviously comes in as well.

There are several factors to be taken into consideration between the counsellor and the injured worker in arriving at the conclusion that the worker should not be attempting to return to employment at this stage of life. Having reached that decision, the information would be recorded and forwarded to the pension adjudication people for the ultimate decision.

**Mr. Lupusella:** Is it safe to say that the range of age, even though that is most important in deciding whether the person is entitled to that benefit, is between 50 and up, besides the other elements you have just described?

**Mr. Darnbrough:** I think probably this happens most frequently at about age 60. From our experience, that is generally when it takes place.

**Mr. Lupusella:** Is it not below 60?

3:40 p.m.

**Mr. Darnbrough:** Obviously, each factor has to be weighed. If all the other elements play a very significant part in the decision, then age, even though it may be only 57, would still allow us to come to the conclusion that the person should possibly consider this type of equivalent to old age supplement rather than realistically attempt to fit himself back into the labour market.

**Mr. Lupusella:** I appreciate the explanation, but I would like to see clearer guidelines. Even though I would not like to see a definition of the age, I would at least like to see the age framework within which such entitlement is determined, along with the other criteria that have to be met, described in clearer terms.

I understand the process. I understand the other criteria: skills, language and whatever, physical condition and the kind of work a person used to do. But concerning the age factor, even though we would not like to see an age of something like 59 or 60, people should have a clear indication of the age range at which they can apply for it. It is a little vague.

**Mr. Cain:** Correctly or not, I made the observation that it is somewhere in the neighbourhood of 57, which gives you a circle around that age somewhere.

**Mr. Lupusella:** I think Mr. Darnbrough mentioned the age of 60.

**Mr. Cain:** No, that is today. Today it is 60.

**Mr. Lupusella:** With the new act.

**Mr. Cain:** With the new act it will be something—Mr. Gillies mentioned at one of the meetings that he thought the board might accept an age in the realm of 57 somewhere; so you go around that.

**Mr. Lupusella:** That is what I want to see spelled out. We have mumbling about ages—60, 57, sometimes maybe less—along with the other criteria that must be met.

**Mr. Cain:** It is that ambiguity of age that gives you the opportunity, though, to put forth your point of view, as opposed to our identifying a specific age and then rigorously sticking to it. You are saying, "That is too darned old." It is an older age that I do not appreciate.

**Mr. Darnbrough:** One of the difficulties in selecting a specific age is that you obviously will come to the point at which you will have to forget all the other potential influencing factors in some cases.



If you say the age is 60, it means that regardless of how much a person warrants it below the age of 60, you cannot apply it. The way things are at present, though it is not as precise, it allows us some flexibility to deal in a very humane way with the actual injured worker's situation and condition.

**Mr. Lupusella:** Flexibility is something I support, but it brings to mind the discretionary power the board has to give or not to give, and I have some concern about that.

**Mr. Laughren:** It is not very often that my friend Tony and I do not share the same view, but I do not have the same sense he has about the rehabilitation department. However, I want to save my remarks on rehab until another time.

I do want to say a couple of things. Concerning the older worker age, I support the vagueness of it. My unilingual person in Chapleau was told that he had to relocate and that he would be disqualified from supplement because he did not want to relocate from Chapleau. This is a unilingual bush worker, and I thought that was absolutely outrageous. That is the kind of thing the rehab department is still doing in collaboration with the pensions department. I do not know how you sort that out internally at the board, but I do not share my colleague's feelings about the rehab. I want to talk about that latter.

Second, when we are in a transition period, as we are now, even though it is not technically transition, we are heading towards the new act. I believe I wrote a letter to the chairman on this. I do not expect him to remember all the letters he receives, but it had to do with someone who would fit perfectly under the new act as an older worker but who now does not. That is where the board should show a little bit of humanity and recognize that, for the sake of a couple of months, the person should be regarded as an older worker and should not be treated as arbitrarily as the old act treats him or her. I think there needs to be some flexibility on the part of the board.

Obviously one cannot switch from 75 per cent of gross to 90 per cent of net during this period, but when you are treating a worker like that, I think you can treat him a little differently, in recognition of the fact that it is about to change in any case and is not running contrary to the act. I think there could be more consideration there.

**Mr. Darnbrough:** An observation well taken. I do not think a comment is required.

**Mr. Laughren:** Except that perhaps you could consider older workers a little more fairly in this period than in the past, even though they

might not be 60 years old, like that unilingual bush worker from Chapleau.

**Mr. Darnbrough:** Part III of the existing act has been amended, or will be amended as of the proclamation date, to include reference to older workers in the existing act, but it is not there now.

**Mr. Laughren:** That is a little different from the person I wrote to the chairman about in the last six months.

**Mr. Darnbrough:** So part III does assist us in some way?

**Mr. McDonald:** Yes, sir.

**Mr. Darnbrough:** That is a good point, Mr. Laughren.

**Mr. Lupusella:** Mr. Chairman, I do not want to leave any doubt that we have a disagreement with my friend Floyd.

**Mr. Chairman:** A split in the rank and file.

**Mr. Lupusella:** Finally taking certain actions or a change of direction by the rehabilitation counsellors does not mean that the issue over the rehabilitation of injured workers is solved. In fact, I am leaving this topic to my friend Floyd to deal with at length some time next week.

I want to make a clear distinction that the global issue of rehabilitation for injured workers is not solved with a few new approaches that have been adopted by the rehabilitation department. I want to be clear on that, so that there is no disagreement with my friend.

I have a question for the chairman of the board relating to the funds of worker-controlled occupational health and safety centres. The chairman used to represent Hamilton in the past. Are you still living in Hamilton?

**Hon. Mr. Alexander:** Yes. I cannot afford to live in Toronto, sir. You are right.

**Mr. Lupusella:** Did you ever become aware of the operation of the Hamilton workers occupational health and safety centre, which is now completely financed by Local 1005 of the United Steelworkers?

**Hon. Mr. Alexander:** I know of Local 1005.

**Mr. Lupusella:** Stelco, which was very well publicized in a recent article in the *Globe and Mail*, on page B5, is not interested in receiving funds from the board. Because you are aware of the operation of this centre, do you have any justification for its refusing funds from the board and why it is not applying for funds for use in promoting accident prevention?

**Hon. Mr. Alexander:** I do not know why they have not applied.

**Mr. Lupusella:** Is there any particular disagreement, or do they just want to have their own operation funded by the Steelworkers and so on, without any help coming from the board?

**Hon. Mr. Alexander:** I do not think an application has come before my desk with respect to that centre, but I am pleased, certainly—the act as it is currently drafted is not as flexible as one may think with respect to paying grants to support bigger agencies and so on. With the introduction of the new Bill 101 there has been an amendment, if I am not mistaken, that does give us more flexibility in this regard. On page 19 of the bill it says:

“To undertake and carry on such investigations, research and training and make grants to individuals, institutions and organizations for investigations, research and training in such amount and upon such terms and conditions as the board considers acceptable.”

**3:50 p.m.**

Prior to this time, and I must be frank, it was not in every instance, it was in very few instances, that we could take money from the fund to get involved with such matters, and I think this amendment now means we can contribute towards such organizations.

However, to my knowledge, I do not think they have ever applied; I could be wrong. I think it is safe to say, now there is that authority, and depending upon what kind of criteria was set with respect to passing out money for grants and research and what not, the type of organization about which you are talking will be given very serious consideration.

However, we did not have that kind of authority and, if we had tried to stretch it, I think we could have ended up in trouble because the act said we could do only certain things. Now that the act is opening, we hope we will be able to do the sort of thing you are mentioning.

**Mr. Lupusella:** I am not aware that an application was ever made. In fact, this particular organization of workers is refusing. Even though you had an opening door to give funds, they do not want funds. I just wanted to find out the reason they are refusing to ask for funds, even though you have been given the power to give them.

**Hon. Mr. Alexander:** Sometimes agencies such as this are reluctant to get involved with government and/or government agencies.

**Mr. Lupusella:** For their own reasons.

**Hon. Mr. Alexander:** Principally because they want to be independent. I do not know the

reason. I do not know whether they approached the federal government, the provincial government, the municipalities, McMaster University, the board—I do not think they have approached the board. I think it is up to the individual agency. As everyone knows, when they want funds it is not unusual for these types of organizations to write to their MPP, to write to me as their former MP, or to write me as chairman of the board to see if we have money.

I must say there have been several requests since I have been around. People have asked for money for purposes not unlike this but related thereto, and I have had to say no, we do not have that authority. Now I think we do have the authority, as of April 1 or July 1, and I would think once it gets to be known we may have the floodgates open. I think we are going to have to be very careful with respect to what we do with the fund money.

We are accountable to you somewhat—even though they are not public funds—but we are accountable to you as a result of these kinds of meetings and, as well, we are accountable to the employer. I know you may not want me to say that, but the reality of the situation is they keep their eyes on us very closely. Therefore, I would like to have a clean slate any time I find the employers are involved.

Whether you want to say it is their money or it is the money passed on to the consumer, I think is begging the point. We have to be accountable.

Now that you, in your wisdom, have changed the act to give us that flexibility, I think we will be approached; there is no question about it. Who is going to get it? I do not know. What kind of criteria we are going to have must be worked out. How much will the individual or the group get? I do not know.

**Mr. Lupusella:** If I can move along on the same thing, I am sure there are several workers' groups across Ontario, now that Bill 101 has given you the authority—

**Hon. Mr. Alexander:** Not quite, it has not given me the authority. The act was passed on December 14 but—

**Mr. Lupusella:** Whenever it will be—

**Hon. Mr. Alexander:** Yes, April or July, I think I read that. You were saying we had the authority; I say we do not quite have the authority.

**Mr. Lupusella:** You do not have the authority now. I misused a verb. When you do have the authority—



**Hon. Mr. Alexander:** We will look upon every application with very serious consideration.

**Mr. Lupusella:** You are going to take a look at the applications. My suggestion is to find out how many sets of groups there are in Ontario so they will be aware of the authority the board will have when Bill 101 will be completely in place. At least they will be notified about this particular section and, when a group is going to apply, of course, the application will be analysed and revised by the board and the board will use its judgement to decide whether or not funds must be given.

**Hon. Mr. Alexander:** I understand what you are saying but I do not think I could give you that blanket commitment right now. I think the board, the new board in particular, has to sit down and see what kind of budgetary restraints it has. Are we going to be able to take advantage of this section by way of \$1 million, by \$2 million, or by \$50 million?

Before I can give you any commitment about notifying everybody that this section is here—I do not even know whether I want to do that because it may hold out high expectations for a lot of people, expectations which cannot be met because we have only so much money—I think you have to give us an opportunity to sit down with the new board, on which there will be the injured workers' representatives, the injured workers themselves, management, labour and others, to determine what this section means in terms of the fund and how much we can afford. I will just read it again.

It says, "undertake to carry on such investigations, research and training and make grants to individuals, institutions and organizations for investigations, research and training in such amount and upon such terms"—I do not know what that means; that has to be looked into—"and conditions as the board considers acceptable."

Before I can even give you any commitment, we have to sit down as a board and determine what kind of criteria we will have that will encompass the phrase "and upon such terms and conditions as the board considers acceptable." The principle is here, but I do not think we have the meat to follow it through. Am I clear there?

**Mr. Lupusella:** Yes, you cleared the issue.

**Hon. Mr. Alexander:** Maybe it is not even ongoing financing. That is something else I am going to have to look at.

**Mr. Lupusella:** My intention was based on the principle that the workers' group should be

notified about the new authority and, of course, the final say on their applications is left up to the board.

**Hon. Mr. Alexander:** Oh, yes. If you could help me in that regard, I would appreciate you letting me know who the injured workers' safety groups are.

**Mr. Lupusella:** I said I do not have the list.

**Hon. Mr. Alexander:** You do not have it. If you can help me, I notice we have some people sitting here; maybe they could write to me and let me know who these injured workers' safety associations are, not the representatives but the safety associations. Maybe there are one, two, 20 or 100. I am not sure.

**Mr. Lupusella:** I am talking of an organization or association such as the Hamilton workers occupational health and safety association.

**Hon. Mr. Alexander:** That one I know.

**Mr. Lupusella:** Okay. I am talking about similar organizations. I am not talking about Mickey Mouse organizations which might claim, "We need \$100,000 for research and safety and so on." I am talking about established organizations for workers' occupational health and safety standards.

**Hon. Mr. Alexander:** I think an organization that could perhaps be of some assistance to us in this regard is the Canadian Centre for Occupational Health and Safety under the federal government, whose headquarters are also in the city of Hamilton. That is another organization, a bigger organization, as you know, that may try to get under the umbrella group, although I think its funding is primarily from the federal government. They can be helpful to you in this respect in order to determine what is out in the field there that would be truly called an injured workers' safety association. I do not know of any right now other than this one. I do not know what they have out in the field.

**Mr. Lupusella:** Talking about the American experience dual award a little bit, even though it is not part of Bill 101, I understand that lately—let me see if I have the date—you had the meeting with representatives from Florida, discussing the issue of the dual award. When was that and what did you discuss about it?

**Hon. Mr. Alexander:** I was not involved in any meeting with representatives from Florida.

**Mr. Lupusella:** Who was involved? Was it from Florida, Minnesota or Nevada? Who had an opportunity to meet with them?



**Hon. Mr. Alexander:** Maybe you are talking about the International Association of Industrial Accident Boards and Commissions, of which I said I am a past president, as of last year.

**Mr. Lupusella:** Were the American Medical Association guides to the evaluation of permanent impairment discussed?

4 p.m.

**Hon. Mr. Alexander:** I do not think that subject was discussed. I should not say it was not discussed. I do not know whether it was discussed because, as a member of the executive, although I was privy to the meetings I did not attend because of my executive responsibility. There could have been discussions at the IAIABC last year, but I am not sure. Several different committees sit—medical, adjudication, administration and procedure, safety, rehabilitation; I think there are seven and I have missed one or two. Those are always ongoing questions or issues that are discussed not only by that organization but by others as well. I think Florida had the wage loss concept. It was one of the first states that had it.

**Mr. Lupusella:** I know the organization. You met with Mr. Baxter Swing, director of the division of worker's compensation of the Department of Labour and Employment Security, Florida.

**Hon. Mr. Alexander:** I know who J. Baxter Swing is.

**Mr. Lupusella:** You met in Toronto. Apparently it was last summer.

**Hon. Mr. Alexander:** J. Baxter Swing has never met with me, as the chairman of the Workers' Compensation Board, in my office to discuss problems about dual awards or wage loss. Your research document may have missed a few points.

What did occur last year was that the International Association of Industrial Accident Boards and Commissions held its annual meeting in Toronto, to which Baxter Swing was invited because he is a member of the board of regents of the IAIABC college, but there was no meeting per se of the chairman of the Ontario board with the people you are talking about for a specific purpose.

If there was a meeting, it was as a result of a convention. There were representatives here from all over the United States, Australia and the several provinces and territories. As I said, the meetings are broken down into various committees and they discuss matters of current interest that affect all boards, whether they are on state

funds or are self-insured as the case may be. They discuss matters that are common to compensation boards and/or agencies throughout North America and overseas. It is a big convention.

**Mr. Lupusella:** Was there no approach to discuss a specific topic with an individual such as Mr. Baxter Swing?

**Hon. Mr. Alexander:** Not that I know of. There was only the meeting. The meeting would have an agenda.

**Mr. McDonald:** They never met with any representatives of the Ontario board concerning this issue.

**Mr. Lupusella:** I am not talking about the board, I am talking about the chairman.

**Mr. McDonald:** If Mr. Alexander was meeting with Mr. Swing, he did not do it last summer. To my knowledge he has never met with him in our office or anywhere else to discuss this issue. Mr. Swing was only at the meeting for about one day and then departed because he was leaving the compensation profession to return to the practice of law in the state of Florida.

**Hon. Mr. Alexander:** Your research is wrong.

**Mr. Lupusella:** Maybe I do not have the full story.

**Hon. Mr. Alexander:** You have to talk to your researchers.

**Mr. Lupusella:** You had an opportunity to talk or meet, even though you did not discuss it. Maybe you met each other during the convention or something like that. There was a personal approach that did not have anything to with the business of the board.

**Hon. Mr. Alexander:** There was no personal approach to talk about the subject you are talking about.

**Mr. Lupusella:** No, for other things; you discussed other things.

**Hon. Mr. Alexander:** We discussed anything that involved, not me but those who were at the convention; they were some 800 strong.

**Mr. Lupusella:** My research is wrong in the sense that you did not personally discuss—

**Hon. Mr. Alexander:** It is wrong about me, personally. That is right.

**Mr. Lupusella:** You did not discuss the dual award?

**Hon. Mr. Alexander:** Not me, personally.

**Mr. Lupusella:** Did somebody else?

**Hon. Mr. Alexander:** Mr. Lupusella, I do not know what you are trying to say. All I am trying

to tell you is there was no approach by members of foreign jurisdictions to me to discuss the topic under discussion right now.

**Mr. Lupusella:** The dual award?

**Hon. Mr. Alexander:** In all fairness, I have to say I do not know whether that was discussed in, say, the adjudication committee of the IAIABC, the claims committee of IAIABC or the finance committee of the IAIABC, but that is a convention, at which a number of topics are raised for the common interests of the member delegates throughout the North American continent and part of Europe.

**Mr. Lupusella:** Okay. I will take your word for it.

**Hon. Mr. Alexander:** If I had it, I would tell you.

**Mr. Lupusella:** The other point I would like to discuss is the guide to the evaluation of permanent impairment, 1984 edition. I am sure I am going to get a full explanation of the revamping of the pension rating figures on the basis of the latest edition, 1984, of the United States.

I understand that Florida's compensation system, along with that of several other American jurisdictions, is already using the updated American Medical Association guide to the evaluation of permanent impairment. I am sure the board has a copy of that already because you gave us a commitment last year that the board would follow very closely the content of this guide.

I know certain states, such as Nevada and Vermont, have apparently legislated the use of the American Medical Association guide and that other states use the guide on a quasi-official basis. I am sure you must have the 1984 edition.

What kind of progress has been made in the Workers' Compensation Board in Ontario in revamping the figures and guidelines? Maybe it is appropriate at this point to have some answers on that.

**Hon. Mr. Alexander:** I guess what you are talking about is the permanent disability clinical rating schedule.

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** I can recall at the last meeting that Dr. McCracken, who was the executive director of medical services at that time, indicated there was a convention in Chicago—I am not sure, but I think he mentioned this—and that we would be sending observers, members or whatever down there to see what was going on with respect to this particular schedule.

I do not know what has occurred since that time, but I know we have been actively looking at this particular schedule.

Perhaps we can have Dr. Bob Mitchell, who is executive director of medical services, give us an update on what is happening in this matter.

**Mr. Lupusella:** As I stated, different states in the United States are already legislating the principles contained in the 1984 edition.

**Hon. Mr. Alexander:** In a new, updated schedule?

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** I am not sure of that.

**Mr. Lupusella:** Yes. It is already in place, and other states are using the guides on a quasi-official basis. I know for sure that two states, in particular Nevada and Vermont, have apparently already legislated—

**Hon. Mr. Alexander:** Legislated a schedule.

**Mr. Lupusella:** —the use of the American Medical Association principles contained in the guide. That was a strong concern that we raised last year.

The meat chart is too old. It is archaic, inadequate and so on. Injured workers' groups across the province have been condemning the contents of the meat chart. Last year we got the commitment that the board had already undertaken a study based on the guide of the American Medical Association.

I wonder what progress has been made since last year. The guide was made public last year or even before they were talking about reshaping the meat chart.

**Hon. Mr. Alexander:** All right. We have Dr. Robert Mitchell here. I know he will be able to assist us.

**4:10 p.m.**

**Dr. Mitchell:** Sir, to answer one of your questions regarding the trip to Chicago, we sent down two physicians. The present consultant of our permanent impairment rating, Dr. Young, went with one other physician to the American Medical Association meeting to get information regarding that. We have been working away at our guidelines for permanent disability.

I have here draft No. 7, which I have been reviewing myself. As you know, a review is a very complicated process. The practice of impairment rating has been established in Ontario for 50 years. When you look at these reviews, you want to see what else is going on in other jurisdictions in Canada, as well as what is happening in the United States. Each state has a



separate system. The AMA gives guidelines which the states pick up. We have recently had from Minnesota its rating guidelines. These drafts are necessarily complex. Some of them can be exact and others have to be a judgement rating.

To answer your question in a short summary, yes, we are working on it. You see here draft No. 7. I expect, if my criticism has any impact, there will be a number of other drafts. We will come forward, I hope, in time for July with new guidelines. This is the medical side and there has to be co-operation with the claims division, the claims adjudicators and so forth.

**Mr. Lupusella:** I am quite pleased there is some work in progress in relation to that, even though this type of consultation was supposed to take place some time last year. With the implementation of Bill 101, other injured workers will get the benefits of this reshaping process of the rating system which has been in place in the province for so many years.

I do not think there is any doubt in people's minds of the need to revamp the rating system. There is no dispute about that. I understand you are deeply involved in that process. How many people besides you are involved in the consultation process? You told me you sent two people to Chicago. Why is it so difficult to get the guide to the evaluation of permanent impairment from the American Medical Association?

You are going to have a group in Ontario at the board level to make sure you are going to define your own guide, based on the premise of the AMA's guide to the evaluation of permanent impairment. Why do you not follow this approach? Your approach will take longer. Even though you might have some guidelines on the AMA's guide some time in the near future, maybe in July, I do not think you are going to incorporate the whole structure related to the rating of permanent impairment for injured workers. You already have seven guidelines there, right?

**Dr. Mitchell:** This is the seventh draft.

**Mr. Lupusella:** The seventh draft. You are talking about the global medical rating. You are using a terminology which—

**Dr. Mitchell:** It is called permanent impairment evaluation. It is the medical side.

**Mr. Lupusella:** The total process of the rating system.

**Dr. Mitchell:** Yes.

**Mr. Lupusella:** It incorporates everything related to the rating of permanent impairment.

**Dr. Mitchell:** This would have to go on with the co-operation of claims, of course, because the medical side gives a percentage impairment, which is then translated by the claims people into dollars and cents. Our involvement is to give a percentage of impairment, which tries to take over the whole aspect of the medical side.

**Mr. Lupusella:** Can you be a little more specific? I am sure you know that for just one amputated hand the degree of disability within the present structure of the rating system is 50 per cent. If I can make a comparison with the system that will be in place in the future, what will the 50 per cent mean? Will the percentage of disability be increased, for example, from 50 per cent to 55 per cent or 60 per cent? Can you give me some indication about percentages?

**Dr. Mitchell:** Not at this time, sir.

**Mr. Lupusella:** Okay. I also understand the process which will be in place is to refer this draft to the various departments to analyse the dollars and cents that will be forthcoming with the implementation of the new charts. Am I correct?

**Dr. Mitchell:** Sir, I think our involvement in the medical services division is to try to get someone who deals with the principles of physical impairment evaluation. What must happen beyond that is a separate issue we have not really moved towards because, as you can see, this is still in draft form.

**Mr. Lupusella:** You said the final draft will take place in July.

**Dr. Mitchell:** Yes, but I hope prior to that.

**Mr. Lupusella:** You mentioned July as the month when the new percentage of disabilities will be in place, or when the final draft is completed by the group of which you are a part, and you will send that either to the corporate board or other officials for further ratification. Can you be more specific about that? What is going to happen?

**Dr. Mitchell:** When we finish we will take those logical steps you have just described. It will have to go up through and, eventually, be approved by the new corporate board.

**Mr. Lupusella:** Thank you very much. I will turn to the chairman. Based on what Dr. Mitchell has told us today, when we see a new clinical rating system implemented, in which each division of the board will have an opportunity to implement the new percentages of all impairment—

**Hon. Mr. Alexander:** Did you say "when"?



**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** That would depend on when it is—

**Mr. Lupusella:** More or less.

**Hon. Mr. Alexander:** I think Dr. Mitchell hopes to have something in final form that he can present to the corporate board before July 1. If it is there before that, I would say when the matter comes before the board, subject to any questions we have to address, it will be automatically instantaneous—within a day. In other words, if the medical documents were to bring something into play here today for the corporate board to consider, and we approved it, then it is policy as of that time, unless there is some lead time required. I do not anticipate that. It will be a new permanent disability clinical rating schedule that will be adopted by the corporate board and used thereafter. It is hoped it will be before July 1, according to Dr. Mitchell's time frame.

**Mr. Lupusella:** The new scheduling system will be in place at the time when the full implementation will be one on one.

**Hon. Mr. Alexander:** That is what we expect. Dr. Mitchell says he hopes to have it in final draft and approved by the several divisions, one of which is claims, so it can be truly final for presentation to the corporate board, which he hopes will be before July 1.

**Mr. Lupusella:** I do not want to dispute the contents of the new guidelines because I know how difficult they are. I am not in the medical profession. It is open to interpretation and only experts can have a close look at the implications. I know the principle used in the medical rating of a permanent impairment is in a nonmedical setting in which the people involved, in the reading of that process, have to make their own contribution to finalize the contents or the translation of percentages and figures coming from the clinical rating system.

**4:20 p.m.**

I understand very well there is a clear distinction between the conclusions and the recommendations which your group has to make, based on the guidelines from the American Medical Association. Of the recommendations, the most important are of a medical nature, for which the physician is responsible. With the ones which are nonmedical, the social and administrative ones, as you stated, there will be a calculation of dollars and cents based on the percentage and so on. There will be economic and legal implications in relation to the appeals

system when appeals will be heard from injured workers disputing the percentage of disability.

The reason I am so concerned about the process—I cannot be extremely critical of the process; I do not know the content of the draft, so I cannot express opinions on it—is that this change is of historic importance. It has social and economic consequences involving the amount of money injured workers will be receiving when the new schedule and rating system is in place.

I know we have some time from now until July, when the issue will be brought to the attention of the corporate board. I was wondering whether there is any way to explore other consultative processes which could make a contribution to the development of the final draft. Because of the complications in reading these guidelines, I wonder whether there is any way the best medical experts, the leading doctors and specialists operating here in Ontario or even in Canada, could be appointed to work for a few days on the full revision of your draft so you could get some input from them to come up with the best solution in relation to the principle of percentages.

Again, I am not talking with a medical mind. I am not a doctor. I am more interested in the economic wellbeing of the injured worker.

The percentage of disability is something at which I will take a very close look. I am sure the injured workers across the province will be the first to raise their concerns, to find out whether there is a great improvement in the system in relation to percentage of disabilities. Maybe we are leading to the status quo, which is the present rating system.

Just to satisfy my mind—I know you are the experts and you are operating with the medical mind, which is extremely different from mine—if you could appoint leading doctors and specialists, I am sure you would get what you are looking for just to satisfy your thesis, which has been clearly spelled out in the draft you have. At this time, it is highly confidential, so you are unable to give me a hint about the changes which will take place, just to balance the improvement that will take place.

I will be satisfied if you are going to have this type of approach, with the other specialists and so on. I am not sure it is worth while to implement a process by which injured workers or other interested groups can make comments before the final draft is presented to the corporate board, just to satisfy ourselves and the public that everybody had an opportunity to review it and make comments. I know you are going to

consider comments coming from the medical association in Ontario, but even this association can make its contribution to the final draft.

The reason I suggest expanding this type of concept is that we might have to live with the new system for a long time. I hope it will be an improvement on the present system. I would not like to see a situation where we must continue to raise criticism about the notorious meat chart in years to come. I hope this consultative process will be in place to satisfy everybody.

Can we get some commitment that this process will be followed, or am I asking too much?

**Hon. Mr. Alexander:** I do not know if you are asking too much. We are talking about a medical issue here, and I am not capable of giving you that kind of commitment. I know Dr. Mitchell has not taken this matter on as an in-house project. You have mentioned several states that have a schedule in place now. We have been to Chicago to talk to the American Medical Association, and that body was having a big program on the schedule, if I recall correctly.

I do not know to what extent there is a role for a layman in devising a clinical schedule. I do not have expertise on that issue.

**Mr. Lupusella:** Maybe Dr. Mitchell can comment on my recommendations. Maybe they cannot be implemented, or maybe they do not make sense; I would like to know his opinion. They make sense to me; but I do not know whether they make sense to the medical profession.

**Dr. Mitchell:** I might give an example of one of the processes. We were asked by the Ombudsman to review our criteria for hearing-loss impairment. In doing so, we have had our own internal department review it and make recommendations. When we reach agreement on that point, we will ask specialists in the field, as you have suggested, to comment on the concept and detail of the actual recommendation. In this way, we will get independent views other than those coming from their own group. We would reflect on what else happens in provinces such as Quebec, British Columbia or Alberta, and then we would look at other jurisdictions in the United States.

As far as philosophy is concerned, it would be important to have an input from injured workers' groups. I felt the new corporate board would have adequate representation to do that, and we made that recommendation to the board. But when it comes to the mechanics, the actual details, that is a professional judgement. A concept is one thing, mechanics another.

**Mr. Lupusella:** I am glad you mentioned the new corporate board. At least I am satisfied that before the final draft is ratified, it will be the newly structured corporate board that will give the final blessing. I am satisfied there is an opportunity for the new people to have some input and eventually the new people can bring the message to the groups.

**Hon. Mr. Alexander:** Are you suggesting any new schedule that would be in place for the future should be approved by the new corporate board?

**4:30 p.m.**

**Mr. Lupusella:** I think Dr. Mitchell said the final draft would be presented to the restructured corporate board for a final analysis before final ratification, unless I misunderstood the message. I asked which board was supposed to take a look at the final draft and he replied without me asking the question, unless you have a different plan from the one Dr. Mitchell has demonstrated.

**Hon. Mr. Alexander:** No. I must say I was not paying very much attention at that time. That is why I asked you, because I thought it was your request, never mind the old corporate board looking at this schedule, but rather that the new corporate board should look at it. Now you are telling me Dr. Mitchell suggested it should be looked at by the new corporate board. In other words, it should be ready by July 1 for consideration by the new corporate board.

**Mr. Lupusella:** If I understood Mr. Gillies's explanation, I hope the new corporate board will be in place before July. That is why I want clarification of the minister's intention, because if you leave something aside it will cause problems to other levels of the board.

I want the minister to put everything in order in relation to that because I think the people should be appointed as soon as possible, so they can start working on issues that are pending, such as the clinical rating system, which, as I stated before, is of prime importance for the injured workers of this province.

**Mr. Laughren:** Before we adjourn, would you allow one short question? We wondered, when your chauffeur picks you up in Hamilton every morning and brings you to Toronto, whether he also picks up John Smith.

**Hon. Mr. Alexander:** No. He has not asked us yet, but it would be a delight if he wanted to share the people's car, sir, of which I have the use. It is not mine.

**Mr. Laughren:** I understand that.

**Hon. Mr. Alexander:** I have taken members of the Legislature in the people's car. I have taken several people I know from place to place. It is not mine. I only have the use of it and I like to share it.

**Mr. Chairman:** Now we have that clarified, we shall adjourn, as far as committee members are concerned, until 9:30 on Tuesday morning.

**Hon. Mr. Alexander:** I should clarify one thing. It is anticipated that I will be the only one there from the board, other than Dr. Mitchell and Mr. Haugh. Is that satisfactory? You will have the staff out there, of course.

The committee adjourned at 4:32 p.m.

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# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Annual Report, Workers' Compensation Board, 1983

**Fourth Session, 32nd Parliament**  
Tuesday, February 12, 1985



Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC

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Published by the Legislative Assembly of Ontario  
Editor of Debates: Peter Brannan

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, February 12, 1985**

The committee met at 2:15 p.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983 (continued)

**Mr. Chairman:** We shall start our afternoon session. Unfortunately, things kind of fell apart on us this morning. I can only apologize to the committee for whatever mistake it was that the van did not show up to take us out to the board. We have made tentative plans to go there at nine o'clock in the morning.

**Mr. Lupusella:** Would that be tomorrow?

**Mr. Chairman:** Yes.

**Mr. Lupusella:** It is going to be worse than today.

**Mr. Chairman:** I was just leading up to that. We should be flexible enough so that if the weather is just plain miserable, it would be ridiculous for us to try to fight our way out to Downsview, I would think. However, I am in the hands of the committee on that.

If you want to come in at nine o'clock, ready to leave to go up there, as we decided this morning, that would give an hour's lead time for us to notify the board for their people to come here from the office on Bloor Street if we feel the weather is going to be too bad to travel. May I have some consideration on that?

**Mr. Lupusella:** My first concern is we lost half a day. I think the chairman and board officials have to reply to a lot of questions.

I would not like to leave my friend Mr. Laughren without the opportunity to express his concern, which means if we are going there, we have to utilize half a day, plus Mr. Laughren's presentation and all the replies we expect from the board. I do not think it is fair to waste another half day. I am just concerned about that. I know several members would like to visit the rehabilitation hospital but we also have to consider that we need the board's replies and that there are members who wish to speak on other concerns affecting the operation of the annual report for 1983. I hope there will be some accommodation in case tomorrow is another disaster like today.

**Mr. McKessock:** Surely the weather will be all right tomorrow. I think most of us would like

to see the place so we would know a little bit more of what we talk about. I think we should go.

**Mr. Chairman:** That would be subject to weather.

**Mr. McKessock:** The bus will be here at nine o'clock in the morning. Is that what we are counting on?

**Mr. Chairman:** That is what we are saying. The bus should be here, or vans; whatever can be arranged.

**Mr. Laughren:** I would agree to going out there tomorrow. If the weather is bad, we should at least have the committee meet here. As it turned out, this morning we could do nothing about it. My only request would be that we organize things in such a way that we can still meet tomorrow at 10 a.m. so that both are not written off for two days.

**Mr. Chairman:** That was the point I was trying to make. If we meet here at nine o'clock, which we say we will, if the weather is bad, we can call the board office and have the officials come here for ten o'clock.

**Mr. Laughren:** Okay.

**Mr. Chairman:** We would do one of two things. Either we will travel out to Downsview or we will meet at 10 o'clock as we normally do.

**Mr. Riddell:** Are we limited to the number of days this committee can sit to consider the Workers' Compensation Board? If necessary, could we meet on Thursday if we decided to go to the rehabilitation centre tomorrow?

**Mr. Chairman:** No, I do not think we can. We are limited to five days. This afternoon is considered a full day. We could not meet on Thursday. We could go to Downsview at another time, either as a committee or as individuals. It could be when the House comes back.

**Mr. McDonald:** The only concern I have is that Mr. Alexander, Mr. Darnbrough and Dr. Mitchell will be at Downsview. If the weather is so bad the committee cannot get out there, your timing in getting here—

**Hon. Mr. Alexander:** I could wait around for a while. If you call Gord Haugh you could reach all of us at the board.

**Mr. Haugh:** I will be here as I was this morning. I will contact the people at the board

depending on the decision. I would suggest, sir, you come downtown in any event in the morning and that those board officials who are going to the centre should travel along in the vans as well, if we go in the morning. There are only two or three of us involved and those arrangements can be made when the decision is taken.

**Mr. Riddell:** It still raises the question of whether we can complete the work before this committee. I understand Mr. Laughren still wants to express some concerns on rehabilitation. The chairman of the board has to make responses to several concerns that have already been expressed. Are we going to be able to accomplish all of that in a half day if we go to the rehabilitation centre tomorrow?

**Mr. Chairman:** We have this afternoon and tomorrow afternoon as well. It is up to the committee.

**2:20 p.m.**

**Mr. Lupusella:** Mr. Chairman, my proposal is that if this committee goes to the rehabilitation hospital tomorrow, we should set aside more time—not another full day. I do not know how long Floyd is going to be on his own presentation. As a committee, we should be flexible enough to set aside half a day to complete our work.

**Mr. Laughren:** Would it make it easier if we agreed to hold the meetings here tomorrow and put off the visit to Downsview until the House comes back? It takes the uncertainty out of tomorrow and we could still get out there. We are not travelling as a committee anyway; we are travelling as individual members.

**Mr. Chairman:** We are not travelling as a committee; you are right.

**Mr. Laughren:** Mr. Mancini put the motion to go out there. He is not here now, so I hate to pull the rug on him.

**Mr. McKessock:** He was planning on going out in the morning. That was our last decision when we dispersed this morning.

**Mr. Chairman:** Is he around these buildings?

**Mr. McKessock:** Yes.

**Mr. Chairman:** It seems to make sense, because of the uncertainty, to leave the trip out there until the House comes back; but it has to be a committee decision, it matters not to me.

**Mr. Lupusella:** Is there any way we can get hold of Mr. Mancini so we can settle this issue?

**Mr. Chairman:** Would some of his colleagues like to try to make contact with him?

We are going to check to see if he is in procedural affairs. Can we go on with our business until we get word back from Mr. Mancini?

Are you finished, Mr. Lupusella?

**Mr. Lupusella:** I was speaking to Dr. Mitchell. I have a lot of material to talk about, but as I stated before, I want my friend Floyd to make his own presentation and reserve some time later on, if there is any time left over.

Considering that the board has to respond to all the issues I raised, I would leave the floor to Mr. Laughren.

**Mr. Chairman:** If that is all right with the other members, Mr. Laughren can proceed with his presentation. I hope it will be a little shorter than Mr. Mancini's or we will not have time to answer these questions.

**Mr. Laughren:** Mr. Mancini's?

**Mr. Chairman:** Mr. Lupusella's.

**Mr. Laughren:** I wanted to do two things. One, I obviously have some remarks of my own. Two, I want to read into the record the brief the Association of Injured Workers' Groups would have presented to the committee had the committee voted in favour of allowing them to present their own brief. I shall commence with that task.

"Year after year the standing committee on resources development meets to review the report of the Workers' Compensation Board. Year after year the same problems are discussed and painfully little progress seems to be made. In 1985 we are at a particularly crucial time because major changes to the act will be implemented pursuant to Bill 101, a piece of legislation that the standing committee had a very major role in shaping.

"On April 1 we will see changes to the benefits system; on July 1, changes in administration and appeals. Surely it is time to take decisive action to solve old problems and avoid them in the future. This brief by the AIWG is not meant as a comprehensive analysis of the problems. We mean only to highlight key problem areas, most, if not all, of which the members of the committee are well aware.

"Our message is that mismanagement or apathy at the highest levels of the board has created a crisis in Ontario's workers' compensation system. It is a crisis that involves, among other problems, the following:

"Denial of pension supplements to injured workers who are actively seeking work, in particular workers in receipt of Canada pension plan disability benefits; a failure by the board's



vocational rehab division to properly retrain workers or to find them suitable jobs; board doctors overruling the opinions of the injured worker's treating physician; lengthy delays in scheduling appeals and issuing decisions; a failure to build up adequate assets to fund future payments to existing injured workers, the unfunded liability problem.

"The AIWG urges the standing committee to recommend that in making appointments to the new administrative structure set up by Bill 101, the Ontario cabinet clean house at the top levels of the board.

"The AIWG also urges the committee to recommend to the Workers' Compensation Board that all injured workers receive the full advantage of the improved benefits provided by Bill 101.

"Although the AIWG is concentrating its attention at this time on the WCB's administration of the act, it is clear that amendments to the act itself are also necessary to provide full justice to injured workers. The AIWG will be continuing its campaign for a much-improved permanent pension system with automatic indexation for inflation and against government efforts to abolish pensions."

That is the introduction of the brief by the Association of Injured Workers' Groups. I will now proceed with the body of the brief.

**Mr. Chairman:** Excuse me, Mr. Laughren, before you proceed: it is a very lengthy brief, I wonder if the committee wishes to have the whole brief read into the record. It will subtract a considerable amount of time from our deliberations. It is up to the committee, and I am not going to rule it out. Does the committee wish to hear it read into the record?

**Mr. Lupusella:** I do not want to speak on my friend's behalf, but either he will read the brief or he will elaborate on the contents of the brief. I do not think it will make any difference.

**Mr. Chairman:** He is apt to do both, is he not?

**Mr. Laughren:** This is probably the most efficient way of doing it.

**Mr. Chairman:** Before you proceed with that, Mr. Laughren, we do have Mr. Mancini before us now. It was at your request, Mr. Mancini, that we decided to make the trip, which turned out to be unsuccessful, to the hospital this morning. There is a suggestion that, rather than interfere with the balance of the deliberations of this committee, we wait until the House comes

back and then set a day aside and go to the hospital.

**Mr. Mancini:** At the time I made my motion, I felt very strongly. I feel the same way now. I have discussed this further with my colleagues in the Liberal caucus and they are anxious that the committee go to the hospital and do what we were supposed to do today.

I hope the committee members feel the same today as they did last week, that there is a need for us to visit the facilities and see some of the systems used and maybe talk to a patient or two to find out their feelings at first hand. I ask the committee to continue to support the motion it supported last week. What happened this morning was unfortunate but we cannot debate that for ever. I ask that we go tomorrow morning, as was discussed earlier today.

**Mr. Chairman:** The only concern the committee has, Mr. Mancini, is the uncertainty of the weather. Apparently, there is a prediction for about 20 centimetres of snow overnight.

**Mr. McKessock:** If that happens, the committee will still continue in the morning.

**Mr. Chairman:** Right.

**Mr. McKessock:** So there is nothing to lose.

**Mr. Mancini:** Our basic plan was to leave at 9:30 this morning, and we discussed leaving at nine tomorrow morning. Maybe we could put it back to 9:30. All of us will be in our offices well before then. If there are traffic or weather problems, we will all be within easy reach of the clerk and some of your staff, Mr. Chairman. We can make the decision to cancel the trip at the last minute. I would like to have it arranged for us to go, if possible.

**Mr. Chairman:** Our problem is that if we leave it that late, we will have no board officials here to continue our meeting if we do not go out there. We have to leave at nine o'clock. We have two choices: one, to put it off until the House comes back; two, to meet here at nine o'clock and determine whether we will go. That would be the only thing that could come up. We can decide to meet here at nine o'clock and have the vans here. Then we will decide whether it is worth spending an hour and a half travelling each way.

**2:30 p.m.**

**Mr. Riddell:** We should go, if we possibly can, to get a better appreciation of all the concerns I hear expressed about the rehabilitation centre. I would like to go and see it at first hand. In my riding I get very few complaints about how badly people are abused at the rehab centre; yet I listen to all the concerns here. I want to go out to



see if I can find out whether people are that badly treated out there. That would be far more useful to me than to have Mr. Laughren read into the record something we already have and have read.

**Mr. Lane:** I think we can get a consensus to go tomorrow morning at nine o'clock, assuming weather and road conditions are fit for us to go; otherwise, we can start here at 10 o'clock. If necessary, I could sit until five o'clock tomorrow afternoon if we are short of time. I hope that will not happen, but I would not be concerned about running a little over time.

**Mr. Chairman:** Are there any problems with that?

**Mr. Laughren:** That we go out there?

**Mr. Chairman:** That we go out there in the morning, weather permitting.

**Mr. Laughren:** I will not read this entire brief into the record. I will read only the section on rehabilitation, which is not particularly long. That will make it a little easier.

**Mr. Chairman:** Is it agreed that we meet here at nine o'clock in the morning and, weather permitting, we will go? It will be at the front door. Weather permitting, we will travel to Downsview, and weather not permitting we will reconvene here at 10 o'clock in the morning. It is agreed. That decision cut out some of Mr. Laughren's reading.

**Mr. Laughren:** I would like to read the section on rehabilitation because it is a part of the board's operation that concerns me a great deal.

**Mr. Chairman:** Which page?

**Mr. Laughren:** It is actually part C. It is numbered separately, about two thirds of the way through.

"For the permanently partially disabled injured worker who cannot return to his or her pre-accident employment, effective rehabilitation is usually the determining factor in whether the worker will play a productive role in society or be relegated to low-income jobs.

"With few exceptions, the board continues to refuse to provide effective rehabilitation.

"The almost invariable approach of the board is to try and fit the worker into the job market with the skills and socioeconomic situation which the worker has. Given that the majority of those with a permanent partial disability who cannot return to their pre-accident employment or similar work also generally were normal labourers, often with limited language and educational skills, the board's approach produces inevitable results.

"Workers in this situation have very little chance of obtaining work on their own, given the active discrimination by employers against hiring the disabled and especially injured workers. The jobs which the board locates are low-paying, low-status jobs and are very often physically unsuitable for injured workers. Workers very often just give up on the idea of ever returning to gainful and meaningful employment. The board then closes the file and the worker is relegated to the welfare rolls or CPP.

"These problems are compounded by the fact that there is an enormous pressure on the counsellors by management to close files. This leads to a reluctance to open them in the first place. Then counsellors try to return workers to any sort of work. If the particular job is not suitable, the system does not care; and, in fact, it may be good: a file has been closed and the job position can be filled by another worker, adding to the statistics.

"The pressure to close files and to save rehabilitation funds also leads to a great reluctance to provide effective vocational training to workers. However, in many cases, this is the only way to avoid the normal tragic results. If the board were to concentrate more on providing the worker, through training or educational upgrading, with marketable skills and less on the hopeless task of trying to fit the worker into the job market as he or she is, the net result would be much better for the workers and better for the WCB.

"The board would, in many instances, save money, because they would not have to pay wage loss payments since people would be engaged in higher-paying jobs with less chance of further injury. While obviously many injured workers are not suitable for further training, it is also obvious that many are and that they are unlikely to be able to return to suitable work without such training.

"The system requires these people, however, to conduct a fruitless and demoralizing search for light work for a minimum of six weeks before training is even considered. Then rehabilitation counsellors seem to have very little idea of what courses are available. Calendars from the various community colleges are not even available at the board. Rather, the injured worker is supposed to go out and find a suitable course on his or her own. The worker is also required to prove that the course will lead to successful employment. Rather than giving encouragement about this sort of pursuit, the counsellor often gives the warning

that his or her supervisor will likely not approve the course.

"In short, what is required is a new approach to rehabilitation. Counsellors must be allowed to and trained to counsel injured workers, not to be benefit control officers. There should also be a willingness to consider active retraining at a much earlier stage before the worker becomes completely discouraged looking for nonexistent light work. The board should also be working with community colleges and similar institutions to develop courses for injured workers.

"To turn to the 1983 annual report, the board has, as usual, provided very limited and misleading information about rehabilitation. On page 11 we learn that 'service was completed in the field in 7,722 cases,' which means that the board closed 7,722 cases. On page 17, we are informed that the board 'rehabilitated' 3,981 workers. What happened to the 3,741 people, the difference between those two numbers, who had their cases closed but who were not 'rehabilitated'?

"Even the figure of 3,981 rehabilitated workers is very misleading since this is not explained. We do know that includes 793 people who obtained 'financial self-sufficiency.' This means these people ended up on CPP or welfare. To claim this as successful rehabilitation is nothing less than amazing.

"Of the 3,188 people who were returned to work, there is no breakdown of how many the division actually had anything to do with as opposed to the number who found work on their own. The most important statistic in this regard is completely absent, namely, how many of these people were still working after a few months. The board apparently does no follow-up to determine this very important question. If a worker only lasts a month or two at a job, the end result can hardly be claimed as successful rehabilitation.

"Page 17 of the annual report claims that there were 3,302 assessments and 2,400 training programs. However, there is no breakdown of these figures, which include training on the job (TOJ) programs. It would be interesting to know how many of these were actual formal educational programs as opposed to TOJ, which is essentially an incentive to employers to hire injured workers.

"The rehabilitation budget of the board is fairly high. However, if it is not leading to rehabilitation of injured (TOJ) programs. It would be interesting to know how many of these were actual formal educational programs as

opposed to TOJ, which is essentially an incentive to employers to hire injured workers.

"The rehabilitation budget of the board is fairly high. However, if it is not leading to rehabilitation of injured workers, then something is seriously wrong. We are not convinced that the current administration is capable of developing the sort of new, imaginative measures which must be developed in this crucial area and have in the past called for a commission of inquiry into vocational rehabilitation. If the government is prepared to 'clean house' at the board and listen seriously to injured workers, perhaps steps can be taken to remedy the current tragic state of rehabilitation at the WCB. In the meantime, injured workers are not receiving the effective rehabilitation they require and deserve."

That is the end of the AIWG presentation on rehabilitation. Many of those comments were ones I was thinking of making as well. I run into a lot of problems with rehabilitation in representing a constituency that consists of a lot of mines and forestry operations. Many of the people who work in the lumber camps, in the bush, in the sawmills or in the mines do not have high language skills and do not have a lot of education. Rehabilitation is more difficult because of that.

Certainly, rehabilitating these people is a much more challenging job. So what? That is what the board is there for, and that is what employers are paying for. The workers have every right. I do not think it is a privilege. Yet some workers who come to me are made to feel it is a privilege that they are receiving academic upgrading and that they can be put on the rehab program. That should not be the case.

**2:40 p.m.**

Every time I think of rehabilitation I think of one of my constituents from Chapleau, a unilingual forestry worker who, if I recall correctly, is 58 years old. He was told by the board that he was not co-operating with rehab because he would not relocate. I do not know what you wanted this man to do. That is the kind of approach that makes us very angry with the board.

If I may turn to a report by the board, it is a WCB report from the summer of 1982. I do not know how I kept this so long, but I did. The heading of the report is WCB Facts, and the subheading is "Rehabilitation for Injured Workers." This is the opening paragraph:

"Providing injured workers of the province with medical service and compensation payments, the Workers' Compensation Board's job



is not complete until those workers return to employment and a place in the community. Workers who are eligible for this assistance have an established claim with the board and a disability which prevents them from returning to their former job," etc.

That is a nice statement to make, and it would be hard to disagree, but we certainly run into a lot of trouble despite that kind of statement. I am not impressed with the way in which the rehab department operates.

I am also confused about the relationship of the link between pensions and rehabilitation. If the injured worker is co-operating with rehab, why is there not an automatic supplement? How can a worker be eligible for rehabilitation but receive no monetary supplement? I do not understand that. I do not know what thinking is prevalent at the board to say that this worker is eligible for rehabilitation but is not eligible for the supplement. Why is it not automatic?

I do not know how the pensions department interacts with the board. I am always puzzled by that, because one minute the worker is getting a partial disability pension plus a supplement and the next minute it is terminated. I do not know who terminates it. Is it the rehab department? Is it the pension department? Is it benefits? I do not know who does that.

**Mr. Haggerty:** It has to be the computer.

**Mr. Laughren:** No, it is not the computer. It is a letter from somebody who states that it is being terminated, with inadequate notice as well. Then, of course, the worker can appeal; but you and I know how long an appeal takes, we have been through that. That does not put bread on the table while the appeal is going on.

I am mixing up some of these departments at the board in my remarks, I guess, because I do not know how else to do it. For example, I do not know how somebody can go from a partial disability to a pension plus a supplement and have a dramatic drop in income. Why would that be?

Let us say a worker is on total temporary benefits. The board says: "You have been on total temporary too long. It is time to put you on a pension plus a supplement." When he moves from the total temporary to the pension plus the supplement there is a dramatic drop in income; or there can be. I have just finished an appeal. I appeared before the adjudicator in Sudbury on one like this. The reason, of course, was that when they figured out the pension and the supplement, they went further back than they had for the total temporary benefits.

How is that fair? I do not understand that. It is beyond my comprehension how you would see any sense of fairness in that. Surely it is the same principle. You are supplementing the pension because the degree of income loss is greater than that warranted by the degree of disability. Right? That is the philosophy behind it, as I understand it.

There is another thing, and this has more to do with pensions than with rehab. Why do you not move to decentralize the pensions department to the regional offices? That is causing us problems. It is causing the injured workers problems. It must be causing the board headaches as well.

The other thing I want to mention briefly is the whole question of commutations. I will try to be restrained, but I really do find the commutation decisions by the board arbitrary, patronizing and demeaning. They make workers feel as though they are completely at the mercy of the board—and they are, I suppose. Then they go through—and this is where I got angry the other day in these hearings when I said the delays were deliberate and the chairman did not like it; but—

**Hon. Mr. Alexander:** I said I did not agree with you.

**Mr. Laughren:** Yes; fine.

**Hon. Mr. Alexander:** What I like does not really matter.

**Mr. Laughren:** It would be helpful if you liked some of these more progressive measures.

**Hon. Mr. Alexander:** I always like progressive measures. There is no question about that.

**Mr. Laughren:** I could give you an example. There was a worker who wanted to commute part of his pension because he could become self-reliant. There was an opportunity for him to buy a backhoe, a fairly big one of the type used in construction. He told that to the board in May 1984. I attended the appeal in January 1985. The board just blithely assumed that backhoe would still be available, I suppose, and this person could still be self-reliant—I do not know what the board's thinking was. However, you cannot tell me there is any justification in waiting from May, when the case was put for the commutation, until January when the appeal was heard. That is total nonsense.

There is another case—I would not want you to think I was just picking one out of the air—where a worker's car was going down the tube; it was in very bad condition. This worker was taking a rehabilitation course at Cambrian College. The worker lived in a community known as Whitefish, about 20 or 25 miles from Cambrian



College. He wanted a partial commutation so he could buy another car. The board did not want to do it and asked him to submit an estimate for a new car, not a used car. That blew my mind. He submitted the estimate and we had to go to an appeal. The appeal was heard and no decision has yet been rendered.

That was back in the fall as well. Here we are in February, and the board—this is the part that really got to me—is threatening to cut off his course at Cambrian because he is missing so much time. He is missing time because the board would not give him partial commutation to buy a car so he could drive to Cambrian College, and there is no public transit there.

There is a word for that, is there not? It is like a self-fulfilling prophecy: if you do not attend these classes we are going to cut you off, and we will make sure you do not have partial commutation so you can get to classes. This person is serious about his upgrading, but by the time the board gets around to making a decision he may be kicked out of the course. I do not know whether the board would go along with his request for commutation—it is in the hands of the adjudicator—but if the person is kicked out, I will find that bizarre.

There was another case where a person by the name of Mr. Daniel, who had a small pension, was refused commutation because there was another disability to be assessed for a pension. That is a Never Never Land: turning down commutations because a worker might have another pension which would boost him over the 10 per cent, presumably. I find that hard to take.

I wish to speak briefly to another area that bothers me, the whole question of the regional medical adviser in Sudbury. There are now two medical advisers in Sudbury, as I understand it. We find cases where the regional medical adviser reads the file and makes a ruling; he does not examine the injured worker. I could give you the name of an injured worker if it would be helpful. It results in a disputed ruling because the medical adviser can overrule the family physician. I do not understand why you would do that. If you do it, why would you not allow that worker to continue to receive payment until the dispute was resolved? That is another thing that is bothering us.

**2:50 p.m.**

There is another issue the medical department should be looking after; it is something they are doing a terrible job on. It is something called white-finger syndrome. I raised this before in this committee. Workers are being told what they are

suffering from is not white-finger disease but carpal tunnel syndrome. They perform surgery for the carpal tunnel and then there is no follow-up to see if that has resolved the white-finger problem.

I have a situation right now where a fellow came to me. He worked for years on drilling and has white finger disease. Reynaud's syndrome, I believe, is the correct term for it. He approached the board and the board said, "Your problem is that it is five years since you worked on vibrating equipment." I believe five years is the criterion for—

**Hon. Mr. Alexander:** I am not sure.

**Mr. Laughren:** I think that is what it is. There is no other conceivable reason this person would have white-finger disease except that he worked for many years drilling with the old drills which were very hard on circulation. When he left, his fingers were bothering him a little, but not to the extent that he sought treatment. Miners tend to be rather hardy types and they do not complain about what they consider to be minor problems.

His hands are now bothering him more and more. He goes to the board and says, "I must have what they call white fingers." The board does not deny that he has this, the doctors do not deny he has it; but they say, "You do not fit the criteria." That is incredibly arbitrary. I do not know how you do that.

If I had my way, the board would have to show how this person obtained this white hands problem and not the other way around. Who said there was benefit of a doubt at the Ontario Workers' Compensation Board? The onus is completely on the worker. I do not know where else this person could have obtained this.

**Mr. Haggerty:** Driving a car.

**Mr. Laughren:** Ah, driving a car. I have never heard that excuse, but that is an obvious example. This person has worked on vibrating equipment for years and the board gave him the back of the hand.

There is another thing that concerns me, and I will not dwell on this, but so help me, when I look at Bill 101—and I know that the 1983 report had difficulty anticipating Bill 101—however, if you look at clause 43(1)(a) on page 13 of the bill, where you are determining the average earnings of a worker and trying to figure out how much to compensate that worker, it reads:

"The board shall calculate the daily or hourly rate of the worker's earnings...at the time of the accident as is best calculated to give the rate per week."

Further down at subsection 43(2), it says, "Where owing to the shortness of the time during which the worker was in the employment of the employer or the casual nature of the employment or where it is impractical to calculate the average earnings at the time of the accident, regard may be had to the average earnings that during the 12 months prior to the accident was being earned by a person in the same grade employed at the same work by the same employer."

If you use that section, you can go back and see if a worker did not work the full 12 months, the board can go back and use that section to give the worker a very low average weekly rate; whereas if you use clause 43(1)(a), you can use any length of time you want.

I have an example of a worker who was working on construction and was injured. The board computed his earnings as though he worked only a little bit during the year, rather than saying that when he was working he was earning a certain level of income. In other words, they used what I would call a mean-spirited approach in computing that worker's income.

They used the one section of the bill that would reduce the earnings to which that worker would be entitled. I think you would agree they could have used the other one under the act. People from the board would admit you can work it out in different ways. Depending on whether you use clause 43(1)(a) or subsection 43(2), you come up with a totally different figure. I thought it was mean in spirit to do this to the worker. That is one thing that is bothering me.

The other is on page 33 of the bill, subsection 136(5), where it talks about "where the impairment of earning capacity of the worker is significantly greater than is usual for the nature and degree of injury, the board may supplement the amount awarded for permanent partial disability."

We tried during the debate on the bill to change that word "may" to "must," as I recall. If the impairment of earnings is greater than the degree of disability, why should there not be an obligation to pay the worker more? Why is it discretionary? That is beyond my comprehension.

When we were debating it in the Legislature the board could not respond because it does not have a seat there. The Minister of Labour (Mr. Ramsay) just hardlined it and would not change it.

**Mr. Lupusella:** Preferential treatment for political purposes.

**Mr. Laughren:** My colleague says, "Preferential treatment for political purposes." I do not understand why something such as that would be an issue on which the board would hardline its views. The Minister of Labour checked these issues with the officials of the board who were sitting under the gallery. He was continually checking with them; which is fine, I am not quarrelling with that. There was no question the board wanted that left the way it is. They wanted it left discretionary so they could play God with the level of benefits for workers. That is offensive.

If the impairment is greater than the degree of injury, for heaven's sake, pay the injured worker. You should not have that discretion. You should not have that right. Your employer does not take your income up and down as he or she sees fit. That should be a requirement. The way it is in the act now, you can continue to do as you are doing, but I hope there will be a change in attitude.

I do not know how you do it at the board. Do you pass the word down? Does the chairman send out a memo saying, "On this policy, give the worker the benefit of the doubt"? I do not know how he does it. I wish the board would take that more seriously.

The other thing I have to get out of my system one final time is on page 13, subsection 43(3).

**Mr. Chairman:** Do these points really cover the annual report?

**Mr. Laughren:** No, they do not.

**Mr. Chairman:** That is fine. I guess you admitted that, did you not?

**Mr. Laughren:** I admitted it and I will be brief. I know it is in the bill and I guess the board cannot do anything about it now, but subsection 43(3) really drives me around the corner. I do not know when I have seen this government and this board undermine the free enterprise system as dramatically as with this section.

What you are saying is that if a worker has two jobs, one at \$10 an hour and the other a part-time job at \$3 an hour, if the worker gets hurt on the \$3-an-hour job and it prevents him or her from doing the \$10-an-hour job, he or she will get paid compensation only at the \$3-an-hour rate. That is what you are saying. I find that incredible. Of course, if they get hurt at the \$10-an-hour job, they get compensated at that rate.

**3 p.m.**

Do you not see that the worker's earnings are being impaired by the injury and that those earnings are \$10 and \$3 per hour? Even if you



wanted to dig in and say, "We are not going to let you add the two together," I think you should because it is to replace income as the result of an injury. That is the purpose of workers' compensation. I think every argument could be made that the two should be added together.

Even if you wanted to say you would base compensation on the higher of the earnings the worker was losing, all right, there is an element there; I could see you would not want to top it up, although I do not agree with it; but I find it truly offensive that you would insist on the lower rate of pay, if that is where the worker got injured.

People go out because they are committed to the work ethic. The board obviously is not committed to it, because of its views on rehabilitation as well as this section, I might add. You are obviously not committed to the work ethic because if workers are injured at the lower rate of pay, that is what they get, even though they are losing the higher rate of pay as well. Talk about double jeopardy.

That section really bothered me during the debate on the bill. I guess you cannot change it now. It is in the bill. We can try to change it by amendment as time goes on, but it should not be necessary. There was an opportunity to have this corrected when Bill 101 was being debated but that decision was made by the board and the Ministry of Labour between them.

I normally put a lot of blame on the Ministry of Labour because I have always felt that is where the political responsibility lies. The board just does what the legislation allows it to do. I was pleased I was a witness to how the system works. The minister consulted the board on every change, so the board was party to these offensive sections of the bill and is just as culpable as the Minister of Labour.

**Mr. Lupusella:** It is a cop-out.

**Mr. Laughren:** A cop-out, yes.

**Hon. Mr. Alexander:** I do not want to interrupt, but—

**Mr. Laughren:** Go ahead.

**Hon. Mr. Alexander:** Are the last three lines of subsection 43(3) not the governing lines, "if the worker had been employed solely in the employment of the employer for whom the worker was working at the time of the accident"? Could that be either/or? It could be that the last place of employment would have a higher rate. On the other hand, it could have a lower rate.

**Mr. Laughren:** Right.

**Hon. Mr. Alexander:** It does not mention rates. It points to the last place of employment. I may have missed something here.

**Mr. Laughren:** No, I think you are right on. If the last place of employment is—

**Hon. Mr. Alexander:** High.

**Mr. Laughren:** —he gets the higher rate.

**Hon. Mr. Alexander:** If it is low—

**Mr. Laughren:** He gets the lower rate.

**Hon. Mr. Alexander:** That is what the legislation states.

**Mr. Laughren:** Exactly and that is what I find offensive. The worker could be earning \$3 an hour pumping gas to supplement his or her income and get only \$3 an hour but he also loses the \$10- or \$20-an-hour job on construction or in the mines.

For example, if a construction worker does not work year round and in the off season is pumping gas to supplement his income and gets hurt on that job, that is the rate he gets. A better example would be if he is working on construction during the day and pumping gas at night because he knows in three months he is going to be laid off for four or five months; then he gets hurt by that section. Do you follow me?

**Hon. Mr. Alexander:** Yes.

**Mr. Laughren:** That is what I find bothersome about this section. I do not think you have any choice.

**Hon. Mr. Alexander:** I do not want to debate that issue. It is in the act. Obviously, it had a full and thorough airing during the time the committee was looking at Bill 101. I guess the wisdom of the committee members and the wisdom of the House—

**Mr. Laughren:** No.

**Hon. Mr. Alexander:** All I know is this act was passed on December 14 after a considerable amount of deliberation. I am not trying to beg the issue. I can understand your problem and I can understand the issue you are bringing to my attention, but I look at it, and as you said the board does not have any choice.

**Mr. Laughren:** The board has no choice, that is right. They made sure they did not have any choice.

**Hon. Mr. Alexander:** I would not say that. I do not think you have any information to come forth with a statement like that.

**Mr. Lupusella:** It was an implicit cop-out. That is what Floyd is trying to say.

**Mr. Laughren:** It certainly was.

**Hon. Mr. Alexander:** All I know is that certain members of the provincial parliament passed an act. We try our best to administer that



act. If the act is faulty—and, obviously, it can be called faulty in a number of instances, one of which you have picked out—I guess it was the wisdom of the House that this stands as it does and I cannot comment on that.

**Mr. Haggerty:** The majority of the House; there were objections to it.

**Mr. Lupusella:** With respect, if you consider the old act, I do not think there is a change. The minister actually decided to keep the status quo with the principle of these particular sections.

If you analyse the section of the old act and consider an injured worker who has a pension, has been rehabilitated and, after the training process is over, receives a job from a new employer at a lower rate and so on; if he is injured, that is the rate the board is going to consider. So I think this section is an extension of what is in the old act. The Minister of Labour preferred to keep the status quo instead of changing the whole process of rates and payments on behalf of injured workers.

**Mr. Laughren:** I know what the chairman is saying. He is saying, "It is your problem in the Legislature."

**Hon. Mr. Alexander:** No, I did not say that. I am concerned about the issue that is brought to my attention, but my hands are tied.

**Mr. Laughren:** Right. I started out by saying, "I have to get this out of my system."

**Hon. Mr. Alexander:** As long as you understand our position, this is what I am trying to say.

**Mr. Laughren:** I do, and I understood your position at the time the minister was consulting you on this section, too.

**Mr. McKessock:** As a clarification here, Mr. Chairman—

**Mr. Chairman:** No, Mr. Haggerty first.

**Mr. Haggerty:** I wanted a supplementary question on the matter raised by the member for Nickel Belt (Mr. Laughren) in regard to clause 136(5)(b).

**Mr. McKessock:** Is this in a different section?

**Mr. Haggerty:** Yes, it is. I want to go back to that.

**Mr. Chairman:** Mr. McKessock wants to stay on this point. Then we will get to Mr. Haggerty.

**Mr. McKessock:** I just want some clarification. We are saying that if an employee was working for two different employers within the same day and had an accident with one, he is paid compensation with respect to the wages of the

employer for whom he was working at the time of the accident. That is what the discussion is about, right?

**Hon. Mr. Alexander:** If he has two concurrent employments, one paying \$3 and one paying \$5, and he is injured on one of them, the act says the rate you should use is the rate he was getting at the time of the last employment.

**Mr. McKessock:** At the time of the accident?

**Hon. Mr. Alexander:** Yes, at the time of the accident.

**Mr. McKessock:** I just want to point out this is probably the way to be fair to the employer. The employer does not want to be charged with an accident that did not occur at his shop because that would increase his rates, right? It would not be fair to the employer to be charged for an accident that did not occur at his place.

**Hon. Mr. Alexander:** I did not want to interrupt Mr. Laughren's submission, but I want to bring some attention to the last three lines of the section.

Mr. McDonald has a lot more expertise than I with respect to the application of this section. It is the employer who would not want to see the higher rate used, but I am still confused because at the time of the accident it could be either/or. Maybe you could pose your question again to Mr. McDonald.

**Mr. McDonald:** I understand the question.

**Mr. McKessock:** If it is the higher rate there is no problem, nobody will argue.

**Mr. McDonald:** If the man is employed in a part-time job earning \$3 an hour, as Mr. Laughren suggested, and if he also had concurrent full-time employment elsewhere, we would calculate what he would earn if he were working full-time in that part-time job. That is what the act says we will do.

In other words, let us say he was a 40-hour worker. At \$3 an hour, it is \$120 a week. That is the rate you would use, and that is what would be assessed against the employer. If you take Mr. Laughren's suggestion that you pay him at the higher rate, then this is the rate that would be assessed against the employer; and yes, you could get some objection from the employer because of that.

**Mr. Laughren:** Yes; but the real question is whether or not you are replacing the worker's income or protecting the employer's assessment. That is really what it comes down to in the end.

**Mr. McKessock:** That is right. But of course it is a two-way program here, employer and employee.

**Mr. Laughren:** What is fair?

**Mr. McKessock:** You have to be fair to both.

**Mr. Laughren:** To whom is the present system fair? It is not fair to both.

**Mr. Chairman:** I think Mr. Riddell also had a supplementary on this.

**Mr. Riddell:** Mine was much along the same lines as Mr. McKessock's. Whose record does that black mark go against?

**3:10 p.m.**

**Mr. McDonald:** It goes against the employer where the accident occurred.

**Mr. Riddell:** The worker had a part-time job making \$3 an hour. He was hurt during that job and therefore the rates are based on that \$3 an hour. Also, the record of that gas station receives a black mark. However, this is being taken to an extreme when we have all those part-time workers and they all end up getting the higher wage. My gosh, the assessment is really going to have to go up, is it not?

**Mr. McDonald:** This possibility exists: the man may be working three nights a week, three hours a night, and his actual earnings from that employer could be \$27 a week; yet what we assess against that employer is based on \$120 a week for a full-time worker. If everybody was a part-time worker what you are saying is correct; we are not receiving assessment dollars to cover the injured worker's accident.

**Mr. Haggerty:** But is that not the way society is moving today, particularly in employment, that is more part-time workers every day because they cannot get in 40 hours a week? Many of them have to hold down three jobs to bring in a decent wage.

**Mr. Laughren:** A lot of incomes are cut off because of an injury.

**Mr. McKessock:** It is not so bad for the employer that the worker would be paid at the full-time employment rate; but if the employer was going to be assessed at the rate of his other job, which was maybe \$10 an hour, then that employer's workers' compensation premiums would be greatly increased.

**Mr. Laughren:** Wait a minute now.

**Mr. McDonald:** It is not a direct assessment against the employer; it is a prorating of all the costs in that class.

**Mr. Laughren:** All the employees in that category.

**Mr. McDonald:** The cost would go against that class.

**Mr. Kessock:** The cost against that class would up their class.

**Mr. McDonald:** That is correct.

**Mr. Laughren:** But there may be 10,000 service stations in that group. You have to make a decision as to who you think should get the break, the employer or the injured worker. The

**Mr. McDonald:** That is correct.

**Mr. Laughren:** But there may be 10,000 service stations in that group. You have to make a decision as to who you think should get the break, the employer or the injured worker. The board clearly has to come down on the side of the employer. I think that is not fair when you are dealing with injured workers. It is a very clear-cut case of bias towards the employers. The member for Grey (Mr. McKessock) has done us a favour by putting it in such a stark way. I do not think the public would disagree with that; that is what it does.

**Mr. McDonald:** That review is in accordance with the provisions of the act.

**Mr. Laughren:** I understand; you obey the law.

**Mr. McKessock:** I was trying to point out that I assume the law is made in this way so that it is fair to both.

**Mr. Laughren:** It is not fair to both. How is it fair to both?

**Mr. McKessock:** We just pointed that out. If you charge an employer a higher rate than his business pays then that is not fair to him.

**Mr. Laughren:** So how is it fair to the employee if it were done the other way?

**Mr. McKessock:** Let us use another example. Let us say the employee is getting paid at the rate he was paid previously, and not only on part-time but getting paid at a rate as if he were there full-time.

**Mr. McDonald:** If by chance his regular job paid him \$6 an hour and in some manner his part-time job paid him \$10 an hour, you would still prorate the \$10 an hour over a 40-hour week. Also, that individual would receive much higher benefits than he has actually earned.

**Mr. McKessock:** So there you are; both sides of the coin.

**Mr. Laughren:** No. I am going to pursue this because I cannot get it through this member's head. The worker is still being discriminated against because he has two jobs. Let us use Mr. McDonald's example. He says if the worker gets injured at \$10 an hour and he is only working three hours a night and three nights a week on that



job, and his regular job only pays him \$6 an hour—that was roughly the example he used—

**Mr. McDonald:** That is correct.

**Mr. Laughren:** —then the worker is losing both incomes as a result of that injury at \$10 an hour.

**Mr. McKessock:** But now he is going to get paid on the \$10 an hour.

**Mr. Laughren:** Now he is going to get paid on the \$10-an-hour rate; but he is losing both incomes, not just one. So the worker is still being discriminated against under that system.

**Mr. McKessock:** Definitely when you have an accident you lose income.

**Mr. Laughren:** Compensation is supposed to replace income when you get hurt.

**Mr. McKessock:** Some of it.

**Mr. Laughren:** You are not even replacing 75 per cent or 90 per cent of it. You obviously have to make a choice in this one. It is a very clear-cut example.

**Mr. McKessock:** The only way I can see the worker getting more than that is if he is hurt at both places at the same time.

**Mr. Haggerty:** Then you really have problems, haven't you?

**Mr. Laughren:** You obviously do not believe in replacing income when a worker gets hurt. That is why I have always said workers' compensation is the most class-biased legislation in Ontario. There is no other act in the province that clearly discriminates against working people as the Workers' Compensation Act does. You are perpetuating it with this act. There was an opportunity to correct it in a small way here and there in the act and you chose not to. This is a clear-cut example of how you chose not to, with the support of the board and the Minister of Labour.

**Mr. Chairman:** I do not know how many times we have debated this in the past. It is outside the annual report, as you admitted, Mr. Laughren.

**Mr. Laughren:** Has the policy changed since 1983?

**Mr. Chairman:** I wonder if you could—

**Mr. Laughren:** It is not outside the act. Do not give me that nonsense.

**Mr. Chairman:** It is outside the annual report, is it not?

**Mr. Laughren:** You do not think the board is going to put in the report that it discriminates

against injured workers, do you? They make sure not to mention that.

**Mr. Chairman:** You have made your point about that. We have had a full debate on it. Mr. Haggerty has a supplementary.

**Mr. Haggerty:** I want the representative of the board to look at subsection 136(5b) on page 33, "Notwithstanding subsections 1 and 5, where the impairment of earning capacity for an older worker is significantly greater than is usual for the nature and degree of the worker's injury and where, in the opinion of the board, the worker cannot return to work and is unlikely to benefit from a vocational rehabilitation program which would lead to employment..."

I want you to look at the words "which would lead to employment." The way I interpret it is that after every vocational program the board comes up with there is going to be a job at the end. Can it be verified by somebody from the board that everybody who goes through a vocational rehabilitation program is guaranteed a job at the end of it? Is there going to be a job for him?

**Hon. Mr. Alexander:** I would rather have Mr. Darnbrough answer that question.

**Mr. Haggerty:** If the word "may" were there I could accept it, but it does not say that.

**Hon. Mr. Alexander:** What you are saying is that there is no point in having a rehabilitation program unless and until the board guarantees a job.

**Mr. Haggerty:** That is right. That is what it says, "which would lead to employment."

**Hon. Mr. Alexander:** I interpret the words to mean it is preparing the injured worker to take advantage of the market skills that are required at any given time; in other words, preparing the individual for the job market.

**Mr. Haggerty:** It says, "...is unlikely to benefit from a vocational rehabilitation program which"—not may—"would lead to employment..." This is one of the difficulties I find about the board. They are saying there is a job. If one makes an appeal or the injured worker goes to a rehabilitation program they say there is a job.

If anyone talks to any employees it is just not so. I talked to one today in Port Colborne concerning the number of persons laid off at Inco and the difficulties a number of those persons are finding trying to get established in employment. The owner or manager of the industry says, "We have gone through the whole list of employees laid off at Inco and I regret to inform you that a large number of them will never be back in



employment because of the degree of education." Some of them may have grade 3, 4, 5 or 6 education. He said: "There is no hope for those persons. To a number of industries they are considered to be permanently unemployable."

You stick in a clause saying "which would lead to employment." It is poor language when writing a law to use the word "would." I have seen "and," "or," "shall" or "may;" but this uses "which would lead to employment." You are telling me the board is guaranteeing employment to anybody going into this program.

How successful is your vocational rehabilitation program? Of all the numbers who go through the program, how many get jobs? Is it 50, 60, 70 or 80 per cent; or is it down to 22, 17 or 18 per cent? Another member was asking about the number and we have not had an answer to that yet. You have asked, I have asked; and we still do not have a number.

**3:20 p.m.**

**Mr. Chairman:** The response is to come; Mr. McDonald has a point.

**Mr. McDonald:** I think you are misreading the section, Mr. Haggerty.

**Mr. Haggerty:** I am not misreading it. I know what goes on down at the board when you make an appeal.

**Mr. McDonald:** This subsection provides for older workers who are unlikely to benefit from a rehabilitation program or a return to work. Then we can pay them the equivalent of old age security. It does not apply in a case where a man is involved in a rehabilitation program. That is a totally different subsection.

**Mr. Haggerty:** But when it comes to an employee who was injured recently you use the same thing because you have two sets to follow. You have the bill and what the board wishes to put in, what it interprets the act to mean or criteria that it sets out.

**Mr. McDonald:** Mr. Haggerty, the Legislature added this section to benefit injured older workers. We did not have that provision before.

**Mr. Haggerty:** I wish you had not put in the words, "which would lead to employment." That communicates the idea that every program you have leads to employment at the end of the line.

**Mr. McDonald:** Not at all. Maybe Mr. Darnbrough would like to comment on rehabilitation generally in relation to your question. I have to tell you, sir, you are misreading the section and its intent.

**Mr. Haggerty:** I am not misreading the denials of the appeals in this area. They stress that very well.

**Mr. McDonald:** That section has not even been to appeals yet, with respect, sir.

**Mr. Haggerty:** That is what I am saying. You have another criterion, the little green book, if you want to put it that way, but it is there. You use that today in dealing with a number of persons who are trying to get employment, saying to them, "You are not co-operating with the board." As I interpret it, the words "which would lead to employment" should not be in there. You are telling me all your programs, regardless of where the injury happened or what year it is, are so successful they are going to lead to employment. I suggest under today's economic conditions the jobs are not there.

That is the point I have difficulty with. The board is saying once a person is injured he has less of a chance of obtaining employment. Many industries in the past—Inco, Atlas Steels, General Motors and others—always had light duty jobs. They are not there any more. You can retrain a person today, but the jobs are not there.

**Hon. Mr. Alexander:** Mr. Haggerty, the section we are referring to has nothing to do with anyone except older workers. It reads, as Mr. McDonald is saying, "where the impairment of earnings capacity for an older worker is significantly greater than is usual for the nature and degree of the worker's injury, and where, in the opinion of the board, the worker cannot return to work and is unlikely to benefit from a vocational rehabilitation program which would lead to employment, the board may...."

**Mr. Haggerty:** You should have dropped it after the words, "unlikely to benefit from a vocational rehabilitation program," but you did not do that.

**Hon. Mr. Alexander:** No, but I think vocational rehabilitation programs are of some significance. It is about an older worker, who, because of impairment, in the opinion of the board cannot return to work. Further, he cannot take advantage of a vocational rehabilitation program which would lead to employment. In other words, there are two or three criteria on the basis of which, if the worker meets them, the board makes a settlement. In all these instances the board would.

**Mr. Lupusella:** As a supplementary on the older worker issue, I understand that under Bill 101 there is a section which covers people who are reaching a certain age. Under the principle of the old act it is a matter of policy to give the equivalent of the old age security pension to an older injured worker if he falls under specific

criteria. If he falls under the criteria of the board, it is up to the pension department on the recommendation of the rehabilitation counsellor to give the benefit, the equivalent of the old age security pension, to an older worker within the framework of the present act.

I am not talking about Bill 101; I am talking about the present policy. It is not within the act, but there is a policy of the board to give the equivalent of an old age security pension if the person cannot be rehabilitated for particular reasons and also if he is affected by a permanent disability pension or other factors—languages or skills of his old trade, or if he is near 60 and so on.

Why is the board not implementing this policy generally in the case of injured workers who are in this category? Why are they supposed to go to different agencies in order to have their representatives to apply for it?

I have to understand this if I am to give credit for what the board is doing in this particular pamphlet, the WCB Report. It talks about personally tailored programs. For example, it says: "If severe disablement prevents the individual from taking on a job, he or she may learn to become self-sufficient in the home or to acquire the assistance of social service agencies, explore other interests and lead an independent, satisfying life."

They are nice words. It appears that the injured worker does not have any problem. He might apply for welfare, which leaves him or her in a state of poverty. But if I am to believe that the policy of the board within the framework of the present act as generally applied is to give an older worker this type of benefit, the pension supplement equivalent to the old age security pension, why is the board not giving these benefits and why are injured workers forced to go to other representatives or other agencies in order to apply for such rights?

Why is it not generally applied? I am sure the only persons who can make a recommendation for such a benefit are the rehabilitation officers. They usually do not make such recommendations, and because such recommendations do not exist, the pension department is not even aware of that process.

Why does the rehabilitation department not take the lead to apply such a policy for people who meet the criteria and give them this pension supplement automatically? Why are they supposed to apply for it?

**Hon. Mr. Alexander:** Mr. Darnbrough will give you a definitive answer vis-à-vis the older worker, but some time ago there was some

question about whether we had the legislative clout to bring about what could be called a discriminatory approach to workers' compensation. It was at that time that we had—yes, you are quite right—a policy of reimbursing an older worker to the extent, I guess, of the old age security. It was at that particular time we realized we would have to look at this policy again.

I think a commitment was made at the time we were looking at it that the policy would stand, realizing that Bill 101 was coming into place. In order to see to it that there would be the legal clout, if you will, it is now enshrined in the act that the board can properly look at the older worker—

**Mr. Lupusella:** I understand you now have the authority under the new act.

**Hon. Mr. Alexander:** We almost have it. To let you know just what is going on now, and since we were concerned about the discriminatory approach and what has happened since that time, I will call Mr. Art Darnbrough, who will advise you.

3:30 p.m.

**Mr. Lupusella:** Before he gives us an answer, having gone through the content of the answers in last year's review of the 1982 annual report, I think this committee, and particularly my friend and I, gave you a recommendation to clear this particular policy in order that injured workers would benefit from the implementation of the pension supplement equivalent to the old age security pension.

You took the issue very seriously. I do not want to read you the answers, but I hope the whole issue will come to light now that we are discussing the content and the extent of it. You were supposed to review it and come up with an answer. I believe even the Minister of Labour got interested in the issue because it was raised in the Legislature. I might be wrong, but I think the issue was raised in the Legislature.

**Hon. Mr. Alexander:** We have an answer now in the new bill.

**Mr. Lupusella:** No. I want an answer for people who are not covered under Bill 101.

**Hon. Mr. Alexander:** That is what I want to give you right now.

**Mr. Lupusella:** Okay. May I get it?

**Mr. Darnbrough:** The point I would like to address is the role of vocational—and I emphasize vocational—rehabilitation in dealing with the older worker and, in particular, with this new section of the act.



The point that needs to be made first is that there is absolutely no difference in the level of service that will be provided to an injured person regardless of age. The older person will get and has entitlement to every part of the vocational rehabilitation program that is available through the board.

In approaching the older worker, we take the view that this person oftentimes has a wide variety of skills and abilities that the work place is looking for. So we try to take it from an ability perspective rather than a disability perspective and proceed along those lines.

When we face, as we do from time to time, the reality that there is no further advantage to be gained from searching for suitable employment for the individual and the person agrees that this is the case, then it becomes the responsibility of the rehabilitation counsellor to record all that information, to come to the conclusion that there is no further point in pursuing work for this older worker and to pass that information along to the claim service division pension people, who will review this particular part as far as supplements are concerned.

In most cases there is not a recommendation as such actually made by the rehabilitation counsellor, but rather an emphasis placed by the rehabilitation counsellor on all the details and facts and the likelihood for employment resulting from a continued program. The decision about supplementary payment is taken by the pensions adjudication staff.

**Mr. Lupusella:** I will give the floor to my friend here, but I would like to state that at the time when a person is applying for such a benefit, the rehabilitation file is completely closed. If I recall correctly on behalf of the people who applied for such benefits, their rehabilitation files were closed a long time before I wrote letters to the board. It appears that there is no particular structure within the board to review such a process.

It appears that the responsibility falls on the injured worker to make such a request and nobody else, because when the file from the rehabilitation department is closed, it is closed. It can be reopened, of course, if the injured worker makes future approaches to the rehabilitation department. But in relation to injured workers who come to my office, it appears that their files were closed a long time ago.

There is no structure within the board to review such a recommendation as to whether the injured worker is entitled to the pension supple-

ment equivalent to the old age security pension, because of the reasons you have just described.

I would like to see something that will overview the process so the file of the injured worker will not be forgotten in a filing cabinet somewhere.

**Mr. Darnbrough:** May I complete my remarks?

**Mr. Chairman:** I think Mr. Darnbrough might make a brief response, but then I would like to get back to Mr. Laughren's statement.

**Mr. Darnbrough:** I would just offer reassurance to Mr. Lupusella on the point of a procedure which links the activity of the vocational rehabilitation counsellor with the actual decision about the payment of the supplement. With this new section to our legislation, clearly there is a mandate to review this particular entitlement.

**Mr. Lupusella:** I understand that. We are talking about the injured workers.

**Mr. Darnbrough:** Obviously, we then have to establish concrete procedures and directions for counsellors and pensions adjudicators to ensure that the injured person who is entitled to that provision receives that provision.

**Mr. Lupusella:** I do not have any doubt about Bill 101 in that the rehabilitation department now has to take action on that section.

**Mr. Darnbrough:** Yes, it has.

**Mr. Lupusella:** My concern is about the thousands of injured workers covered under the present act. I do not have any dispute. I will have to see whether the implementation of Bill 101 revises the activities of the rehabilitation department to see whether Bill 101 is widely and well implemented.

**Mr. Laughren:** Before we leave that, it bothers us that there was a policy until June 1983 and that there is a policy for after April 1, 1985. Is it correct that there is a two-year period when the policy is different? First, I do not know why the policy was changed in June 1983. Second, what are you going to do about the people in the two-year period?

**Mr. Cain:** You may recall from the hearings that in reference particularly to the older worker it is correct that prior to June 1983 there was a policy to extend this entitlement to older workers and that ended with June 1983.

**Mr. Laughren:** That is right.

**Mr. Cain:** I do not recall the date, but during the hearings the minister announced that the board would continue to pay older worker supplements, that it had been reviewed and



would be continued until this legislation came into being.

**Mr. Laughren:** There is no gap?

**Mr. Cain:** There is no gap. It is on now. As I recall, we initially gave some groups assurance shortly after June 1983 that while it was being looked at we would not terminate any older worker's supplement. However, I know it is back on.

**Mr. Laughren:** There is no gap, then.

**Mr. Cain:** There should not be any gap.

**Mr. McDonald:** May I say that it arose out of a meeting we held at the minister's office with representatives of the injured workers' group that brought this to our attention. It was reviewed as a result.

**Mr. Laughren:** All right. May I make a few comments on the claims services division? I do not know whose division that is.

**Mr. McDonald:** It is mine.

**Mr. Laughren:** Is it true that there were something like 50 claims adjudicators who quit last year without even having other jobs to go to?

**Mr. McDonald:** No, sir.

**Mr. Laughren:** No?

**Mr. McDonald:** No, sir.

**Mr. Laughren:** You do not have a turnover problem with claims adjudicators?

**Mr. McDonald:** I can give you the specific figures. I do not have them with me, but I can get them for you.

**Mr. Laughren:** You do not know it to be a problem?

**Mr. McDonald:** I do not believe so.

**Mr. Laughren:** We were getting complaints that because of the turnover, fairly junior people were making decisions which—this was not told to me, but I concluded that perhaps this was one of the reasons why the claims review branch—do claims adjudicators not work in the claims review branch?

**Mr. McDonald:** No, sir.

**Mr. Laughren:** That is totally different?

**Mr. McDonald:** Yes, sir.

**Mr. Laughren:** Is this before you get to the claims review?

**Mr. McDonald:** Quite a bit.

**Mr. Laughren:** I see. This is the first level of dealing with the claim.

**Mr. McDonald:** That is correct.

**Mr. Laughren:** I see. I had heard there was a high turnover in claims adjudicators during this

past year, causing problems because junior people were making a lot of decisions they did not have the training to make.

**Mr. McDonald:** Some adjudicators left during the year; they had other employment they went to. There also are adjudicators who have moved up within the organization. If you talk about the total loss to the claims services division—

**Mr. Laughren:** It might be different.

**Mr. McDonald:** With respect to some promotion, yes, but with respect to leaving—

**Mr. Laughren:** That was not because they were—

**Mr. McDonald:** They are still adjudicating claims, only it is at a different level.

**Mr. Laughren:** I see. Somebody told me as well that you are behind in claims adjudication and that claims are going out to be resolved to your area offices in Sudbury and London.

**Mr. McDonald:** That is not correct.

**Mr. Laughren:** That is not correct?

**Mr. McDonald:** No, sir.

**Mr. Laughren:** It would explain some of the problems with workers getting responses when they have problems with a claim.

**Mr. McDonald:** Your information is totally inaccurate in that respect.

3:40 p.m.

**Mr. Laughren:** Perhaps I could conclude with a couple of things; one is on vocational rehabilitation. When I see some of the decisions that are made, I start to view rehabilitation counsellors more as benefit control officers than as rehabilitation counsellors. That is not true in every single case or anything like that, but it bothers me.

I wonder whether the counsellors are plugged into the possibilities of part-time work for injured workers. Because of the prevalence of part-time work now, are the courses being sponsored by the Workers' Compensation Board, by rehab, keeping pace with the world out there? I do not know that; I am just concerned about it as things change.

For example, I have had complaints about French-speaking workers who need courses in English especially designed for injured workers. I suspect in Metro there might be other problems of other-language people being trained to improve their English so they can cope better out there.

Also, I wonder about the whole question of employers' hiring so many injured workers,

almost like an affirmative action program. It is very difficult. I do not minimize the problem there. For example, there are a lot of injuries in the forestry and mining industries, and yet I suspect if you were to do a chart you would find the industries with the most injuries employ the fewest injured workers. I am only guessing, but because of the nature of the work it is very difficult to find light duty for someone in the bush.

I do not know what the board is doing about that. I would be interested in knowing whether you have a program of affirmative action and second, whether that program is linked to assessment rates. If it is not linked to assessment rates then you are dependent upon the goodwill of those employers. I wonder whether you can count on that, given their track record.

I would like to see this pursued more aggressively. I do not think the board is very aggressive in this whole field. Does the board initiate any complaints before the Human Rights Commission when employers violate that part of the Human Rights Code? I have not heard of any cases of that happening. Perhaps you have.

**Mr. McDonald:** That provision is not there yet.

**Mr. Laughren:** In the act?

**Mr. McDonald:** Yes.

**Mr. Laughren:** It is in the Human Rights Code, though, is it not?

**Mr. McDonald:** It has been added as a result of this amendment, as of April 1.

**Mr. Laughren:** But I thought it was in the Human Rights Code itself.

**Mr. McDonald:** It is specific, if you look at—

**Mr. Laughren:** I know it is in the act.

**Hon. Mr. Alexander:** Now it is in the act.

**Mr. McDonald:** "An injury or disability for which benefits were claimed or received under the Workers' Compensation Act." That is the section that is being added to the Human Rights Code.

**Mr. Laughren:** This is section 39?

**Mr. Darnbrough:** Excuse me, Mr. Laughren. The change that is being made by Bill 101 specifically refers to workers' compensation cases. The Human Rights Code, when introduced two years or so ago, made general reference to people who were disabled or had disability. So to that extent, yes, and I will be glad to explain what we are doing in that regard.

**Mr. Laughren:** Okay. Unless the board gets aggressive there, why would the employer get

aggressive unless it is linked to assessment rates and there is an incentive to do something about hiring injured workers? The board must tear out its hair on occasion too when the employer says, time after time after time, there is no light duty for this worker—even though the worker got injured there on the job.

**Hon. Mr. Alexander:** I am not trying to second-guess Mr. Darnbrough, but I have often gone before employer groups and said that employers should be realistic and interested in our financial motivations. I guess you have seen the ads, "Hire a comeback," whereby we hold out certain incentives to employers to hire a rehabilitated disabled worker.

**Mr. Laughren:** I understand.

**Hon. Mr. Alexander:** We say something to the effect that an employer can look at a particular person for some four weeks at no cost to the employer, and if he or she meets the employer's demands, fine. There are about two or three forms to file. We have a job list of people who are waiting.

If that is not enough, we tell them that after having considered that person they may want the person but may feel he needs some training on the job. In that case we will subsidize their employment up to 52 weeks. Another incentive we hold out is to improve the work place in terms of ergonomics in order that the injured worker has the ability or the wherewithal at least to do the job that this employer wants.

The last thing we say is that if the injured worker who has been rehabilitated does get injured as a result of us placing that person on the job, it is at no risk to the employer.

In that limited way, we try to convince employers that there is a skills bank out there from which there have not been sufficient withdrawals. I think the program has been relatively successful. We know that as a result of the efforts of the rehabilitation and job counselors, together with myself—I try to get involved with a high-profile approach—it has worked, but there is need for improvement in trying to convince the employers.

**Mr. Laughren:** But you admit there is no link between assessment rates and the hiring of injured workers?

**Hon. Mr. Alexander:** I cannot answer that question directly. I am not trying to evade that. I think it is part of your question. Perhaps Mr. Darnbrough will give us some indication of the kind of affirmative action program we are taking to convince employers.



**Mr. Laughren:** I only have one other point—

**Hon. Mr. Alexander:** Let us get through with the affirmative action bit.

**Mr. Laughren:** Okay. To be parochial for a moment, can you tell me what the total annual assessment is of employers in the Sudbury basin?

**Hon. Mr. Alexander:** I do not think we have that information here now, but there is that possibility. I am not too sure; I do not know that we take it on the basis of the Sudbury basin, the Hamilton-Wentworth basin or the Ottawa region basin. I am not too sure of that.

**Mr. Laughren:** You do not have it?

**Hon. Mr. Alexander:** If we could find out all the employers that pay us assessment in the Sudbury basin, we would be able to do it, but I do not think we keep statistics to that extent. I see Mr. Gord Russell, who is executive director of finance; he is shaking his head in a negative way.

**Mr. Laughren:** But you do have the total annual assessment for the nickel industry?

**Hon. Mr. Alexander:** Oh, yes.

**Mr. Laughren:** That consists only of Inco and Falconbridge?

**Hon. Mr. Alexander:** Right.

**Mr. Laughren:** Do you know what that figure is?

**Hon. Mr. Alexander:** I do not think we have it here now, but we could get that for you.

**Mr. Laughren:** I would appreciate that.

The only other thing I was wondering about was this form, "Medical Report to Employer for Prompt Rehabilitation."

**Hon. Mr. Alexander:** Is that the one that was brought up earlier, which someone thought the board had something to do with; which was entirely wrong?

**Mr. Laughren:** Yes. If the board does not want to be associated with it, it should think about it, because it states right at the top, "Medical Report to Employer for Prompt Rehabilitation." That does not say it is the board, but in the very next sentence, it says: "The Workers' Compensation Board's concept of early medical and vocational rehabilitation is...." If I were a physician, I would assume this came from the WCB.

**Hon. Mr. Alexander:** I cannot answer that.

**Mr. Laughren:** There are copies for physician, employer and worker.

**Hon. Mr. Alexander:** I think Mr. Cain has some information as to what this form is all

about. Mr. Cain, would you direct yourself to the question?

**Mr. Cain:** One of the important factors you have to note is that the injured worker has to agree to sign it before it can go on to the doctor, and that is very important.

In mentioning the board, there are also cautions at least under subsections 1, 2 and 3. These are things that are very important, because the board does not want something going between employers and doctors that has anything to do with an injured worker without those three subsections in there.

**Mr. Laughren:** You mean (a), (b) and (c)?

**Mr. Cain:** Points 1, 2 and 3, "The work must be productive...will not aggravate...." They are very important.

3:50 p.m.

**Mr. Laughren:** Do you not see the employer inserting himself between the board and the worker? The board does not get a copy of this; it is between the physician, employer and worker.

**Mr. Cain:** It seems to me the encouragement here is, first, thank goodness the employers recognize they should take workers back to work. That is something we all want and we despair that they do not do it often enough. At least we have employers here who may be willing to take workers back.

Second, the employer is saying to the doctor, "What can this person do that I might be able to provide for him or her?" I can understand the caution would be there. Sure, the employer says one thing here but when the poor fellow goes back to work that may not be quite the case. A worker certainly has the right to complain and have a vocational rehabilitation counsellor go out and check on it.

**Mr. Laughren:** Hold on now. The board sends a report like this to the doctor?

**Mr. Cain:** A medical report, yes. It asks for a history of the accident, the diagnosis and findings, when the person might be able to return to work, that kind of thing.

**Mr. Laughren:** If you were a physician, would you want this form?

**Mr. Cain:** Physicians will decide whether to fill it out, but I hope if the worker signs it, they will.

**Mr. McDonald:** They get paid extra.

**Mr. Cain:** By the way, the form states the employer will pay for it, not the board.

**Mr. Laughren:** Where does it state that?



**Mr. Cain:** Right above the words, "Physician, please complete section below and return part 2 to the firm above."

**Mr. Laughren:** That should tell you something, too.

**Mr. Cain:** It tells you it is not a WCB form because the employer is paying it.

**Mr. Laughren:** Why would the employer be willing to pay? I think something is happening here I do not like.

**Mr. Cain:** The safety association apparently arranged it, which means there must be some employers in that safety association who feel an obligation or see an opportunity, or whatever, to get injured workers back to work. I suspect the reason is because it cuts their assessment costs to get people back to work.

**Mr. Laughren:** That is what you think?

**Mr. Cain:** I do.

**Mr. Laughren:** It makes me nervous.

**Mr. Cain:** I can understand your nervousness. I am not questioning that.

**Hon. Mr. Alexander:** I do not understand your nervousness, although I do not like to disagree with my colleague. I am trying to find out. The form says at the very top, "Medical Report to Employer for Prompt Rehabilitation." I think we are all concerned about prompt rehabilitation. You articulated that very well. Then it quotes the board policy, I guess:

"The Workers' Compensation Board's concept of early medical and vocational rehabilitation is: (1) the work must be productive; (2) the work provided will not aggravate the worker's injury"—both of those, I would say, are in favour of the injured worker—" (3) the worker's injury does not constitute an additional hazard to the worker or fellow workers while performing the work assigned." Would you not say these are admirable principles?

**Mr. Laughren:** Yes, I am not questioning the principles.

**Hon. Mr. Alexander:** Let us move on through the rest of it. I had not seen the form and I am trying to find out what your concern is. "To be completed by employer," the name and address of the employer. Over on the right is information about the injured worker. Then further down, "Description of Normal Job Actions and Requirements." I do not know who fills that out. "History of accidental injury or industrial disease—see reverse or form 7 attached."

**Mr. Laughren:** If I were running the compensation board, I would be offended at this intrusion into the compensation system. Do you think for a minute—

**Hon. Mr. Alexander:** Explain to me where the intrusion is. That is where I am losing something here.

**Mr. Laughren:** For one thing, there is duplication between what the board does with its medical report and this form. For another, do you think for a minute that an employer who gets a copy of this will not use it during an appeal, if an appeal comes up and it suits his purpose?

**Hon. Mr. Alexander:** I think you are saying the employer is going to be dishonest with this form. It is the employer's form for which he is going to pay and I assume the bottom line is, "Give me enough information so I can determine whether I can take back this man or this woman." That is the way I read the form. Maybe I am reading something inaccurately here, but it is a form I look at in terms of prompt rehabilitation, which is just what it says. I could be wrong, but I think I am right.

**Mr. Laughren:** We will have to wait and see. I am waiting for the first time there is an appeal and the employer waves this in my face.

**Hon. Mr. Alexander:** If he waves it in your face, what does that mean? Are you saying the information here will be fraudulent, incorrect, hyped, inaccurate?

**Mr. Laughren:** No. It just seems to me that in anything that goes on with the injured worker and benefits, the intermediary should be the compensation board. That is what it is there for: for both the employer and the employee. Here you are allowing the employer to insert himself into the process without the board. You are going to be making decisions without having access to this yourselves.

**Hon. Mr. Alexander:** Maybe I have lost something here.

**Mr. Laughren:** I would be upset if I were in that place.

**Hon. Mr. Alexander:** I am not all that upset.

**Mr. Laughren:** I know; I can tell you are not.

**Hon. Mr. Alexander:** I do not mean to make light of this. I look at the form as being a document that helps the injured worker to go back to productive employment because of an interested employer. I could be wrong, but that is the way I am looking at it. The employer is paying for this; we are not paying.

**Mr. Laughren:** I know. Okay. I remain nervous.

**Mr. Chairman:** It appears that we are at the end of that stage of the opening statement. Mr. Haggerty had something he wanted to raise. From then on, unless there is some objection, I think we should try to move into responses to some of the concerns that have been raised.

**Mr. Haggerty:** I thought, Mr. Chairman, that we were still waiting for some of the responses from members of the board.

**Mr. Chairman:** That is exactly right. As soon as the question is finished—

**Hon. Mr. Alexander:** Do not blame us for that, sir. We have all the questions documented and we are prepared to move, but I do not know when to jump in and time is running out. We have another 35 minutes and there are a number of questions here.

**Mr. Haggerty:** I was looking at your annual report, and I will stick to that more than anything else this afternoon. I was concerned about the services the WCB performs for other agencies. In particular, I am sure the chairman of the board's knowledge of the functions of the federal Minister of Labour—

**Hon. Mr. Alexander:** It is very limited.

**Mr. Haggerty:** —is that in many cases you do provide services to the Ministry of Labour in regard to agencies that come under the federal government. I am talking, for example, about Great Lakes shipping, the persons employed on ships and vessels on the Great Lakes.

**Hon. Mr. Alexander:** Oh, I see what you mean.

**Mr. Haggerty:** We come into the transportation area, Canadian National, Via Rail and companies like that. I see nothing in here to indicate there is a charge or fee for service. I think of Mr. Wilson, the Minister of Finance of Canada. He is coming out with a policy now that when any government agency supplies a service, there is going to be a fee for service.

Is any revenue coming to the WCB in this area in regard to handling administration costs and red tape that must go through down at the board? Is there a chargeback to the federal government?

**Hon. Mr. Alexander:** Oh, yes. I think what you are talking about is an offshoot of the schedule 2 employer, of which the federal government is one. Every board, whatever the arrangement may be with respect to federal employees in that province, adjudicates on behalf of the federal government and it pays the

shot. We charge it. I do not know what it is. Twelve per cent? I am told it is 12.5 per cent.

**Mr. Haggerty:** I do not see that listed here as revenue for the board in this area. What number of dollars we are talking about per year that you are charging the federal government?

**Mr. McDonald:** It is on page 25.

**Hon. Mr. Alexander:** Under the audited statement.

**Mr. Haggerty:** You have something for rehabilitation and medical services. Whether that is it or not, I do not know.

**Hon. Mr. Alexander:** Administration costs, I guess, schedule 2. But this is the whole thing with respect to schedule 2. There is \$10.632 million. Those are the administration costs. I guess that is the 12.5 per cent that I was talking about.

**Mr. Haggerty:** So we are talking about \$10.632 million.

**Hon. Mr. Alexander:** Yes.

**Mr. Haggerty:** For doing the work.

**Hon. Mr. Alexander:** That is right; the adjudication and whatever is required.

4 p.m.

**Mr. Haggerty:** Does that cover just the costs, or is there an extra fee above that? If you did not have to administer this, you would not need as many employees down at the board. Does this cover the cost of the additional employees?

**Hon. Mr. Alexander:** Perhaps Mr. Reilly or Mr. Russell can answer that. I know we charge them a going rate. It fluctuates and right now it is 12.5 per cent. I cannot answer the question as to what it covers. Perhaps one my my colleagues can.

**Mr. Reilly:** Mr. Haggerty, this is an audited figure and it represents the portion of the board's total administration that relates to handling schedule 2 claims. That would be a portion of our total costs for administering it.

**Mr. Haggerty:** That is their portion, the \$10 million. How many employees would that include who have to look after that area?

**Mr. Reilly:** You could not break it down because it is scattered throughout the entire organization. It is based on the number of claims for them compared to the number for schedule 1.

**Mr. Haggerty:** In other words, no profit is made from it. You can assure me it covers the costs involved?

**Mr. Reilly:** Yes.



**Mr. Haggerty:** Should there not be additional costs involved? If you run into difficulties financially, perhaps there are other hidden costs that are not taxed into this which you should be looking at.

**Hon. Mr. Alexander:** I guess it is a balance of complex claims and simple claims in the long run.

**Mr. Haggerty:** There is nothing simple in claims with workers' compensation. I have not seen any yet.

**Hon. Mr. Alexander:** I know what you said, but I know you are saying it in jest. As a matter of fact, you have heard that some 90 per cent of the claims are paid within three days, but that is just begging another question.

I think what has happened here, and I can be corrected, is a percentage was determined and it fluctuates. Now it is 12.5 per cent. I think that covers the cost we feel is required—let me go to the limit—of a breakeven point with respect to the work that we have to do in administering the schedule 2 operations.

**Mr. Haggerty:** Have you thought about changing the administration to get additional revenue?

**Hon. Mr. Alexander:** It has not been brought to my attention. Perhaps Mr. Reilly can address that. I have known a percentage is charged to the federal people and a percentage is charged to the provincial people. I think the difference is perhaps one percentage point or half a percentage point. I do not know who is charged more, the province or the feds; hopefully it is the feds. As to your question, had we thought of changing it—

**Mr. Haggerty:** There is no doubt you have a shortfall of revenue coming in. Perhaps the charges are not high enough.

**Hon. Mr. Alexander:** That is a point we will certainly look at. I do not know whether Mr. Reilly has anything to say.

**Mr. Reilly:** The schedule 2 administration charge is not a source of producing revenue for the board. It is a source of covering the costs of

could levy additional charges against them to offset oncoming liability, which is a schedule 1 liability, not a schedule 2 liability.

**Hon. Mr. Alexander:** I might add that the federal government—this is off the top of my head—is a little concerned about the discrepancy in compensation throughout the entire Dominion. They are just thinking about it. When they know the complexities we have to deal with as individual boards, I do not think they will want

any part of it. They were thinking about the varying rates right across this country. Because of the varying rate scales, they find it could leave a little something to be desired for some of the employees in the federal sphere.

They have been studying this for some time as to whether they should be doing their own compensation work. I do not think they have made up their minds.

**Mr. Haggerty:** Looking at the unfunded liability that is assessed to schedule 1, and they are really not schedule 2—

**Hon. Mr. Alexander:** They understand what the unfunded liability means. I think what they are concerned about is the complexity and the work that goes into the several compensation systems throughout this country, and whether they want to be bothered with it or whether they are much better off letting the respective boards across the country deal with the federal employees in the several provinces and/or the territories.

**Mr. Haggerty:** Why would you single out schedule 1 for employers to be responsible for the unfunded liability and then on schedule 2, a different type of employer, there is really no chargeback to him? Those in schedule 2 are not paying any of this unfunded liability. Should there not be a charge? Should there be a difference between schedule 1, schedule 2 and schedule 3 employers? These others are not picking up a share of the unfunded liability.

**Hon. Mr. Alexander:** Mr. Reilly will answer that. I thought I had an easy answer but maybe it is not all that easy.

**Mr. Laughren:** The question is already put. I thought we were supposed to be getting answers to questions that had already been put.

**Hon. Mr. Alexander:** I have no control over that.

**The Acting Chairman (Mr. Lane):** Mr. Haggerty had the floor for a question, and then we were going to revert, with your permission.

**Mr. Reilly:** This is a schedule 1 accident fund. The unfunded liability pertains only to schedule 1. Schedule 2 includes employers who use public funds in their operations. They are pay-as-you-go, being the federal government, the provincial government, the municipalities; also railways and navigation companies. These are on a pay-as-you-go basis, whereas schedule 1 is an accident fund.

**Mr. Laughren:** They have no unfunded liability.

**Hon. Mr. Alexander:** No, because in short we get back what we pay out, and we charge



them 12.5 per cent while they are doing all the work.

**Mr. Reilly:** It is on a cash basis.

**Mr. Laughren:** The public sector is again running its business better than you are; you are the private sector.

**Hon. Mr. Alexander:** I will just let that one go over my head.

**Mr. Laughren:** I could not go over your head.

**Mr. Haggerty:** I am just suggesting you have to come to grips with this unfunded liability. You are going to have to come up with either higher assessments—and the higher assessment should not be just to schedule 1 but should apply to the whole system.

**Hon. Mr. Alexander:** But there are no assessments to schedule 2.

**Mr. Haggerty:** That is what I say. That is where the difficulty comes. How do you—

**Hon. Mr. Alexander:** The assessment with respect to schedule 1 is an entirely different thing than having a pay-as-you-go program with schedule 2. What we pay out, we get back, plus a little something for our trouble—12.5 per cent. On one hand we are talking about a fund, and on the other about an accommodation, if you will, that we have with the provinces and/or the federal government. I do not know when it started, but there is an agreement and it has been around for a while.

**Mr. Haggerty:** I do not know either. You are telling me you have two standards of employers. You have one on a pay-as-you-go policy that comes forward with a balance sheet every year, but schedule 1 is a different matter altogether. It does not have a balance sheet but a deficit, year after year. You are going to have a problem unless you combine the schedules and say, "Look, somebody has to share in that unfunded liability."

**Hon. Mr. Alexander:** I do not think the fund, per se, is the responsibility of schedule 2 employers.

**Mr. Haggerty:** I doubt it will end up even, when you have one with a pay-as-you-go policy or a balanced budget and the other that seems to run off on a wild dream. How can you have one administered by the board that sticks within the rules of balanced budgeting and the other not doing that? You cannot.

**Hon. Mr. Alexander:** Because one is pay-as-you-go.

**Mr. Haggerty:** Yes.

**Hon. Mr. Alexander:** If you are telling us we should have pay-as-you-go under schedule 1, that is another issue. That is the one you chaps have been dealing with, with respect to the unfunded liability.

**Mr. Haggerty:** I do not know; we do not have the facts presented to us. I do not know the complete dialogue between the hearings on the Wyatt paper. I have not gone into detail on that part. But you have two different agencies within the one. One is pay-as-you-go and the other you can just keep on going with deficit spending if you want to.

**4:10 p.m.**

**Hon. Mr. Alexander:** Because of ad hoc amendments, fuelling inflation and with the periodic rise in the ceiling, there are a lot of reasons why the unfunded—

**Mr. Haggerty:** The same applies in schedule 2. They have the increases too. Maybe there should be more research done into this.

**Hon. Mr. Alexander:** Your point is well taken. I am not treating it lightly at all. I am just trying to bring to your attention that there are two. One is an accident fund under schedule 1, which is the act. The other is an accommodation to the federal government and to the provincial government, whereby because we have the expertise we do the work that perhaps they should be doing themselves. I notice Mr. Laughren and Mr. Lupusella laughing at that.

They have allowed us to do what we are doing now. We adjudicate their claims. When we pay out we say: "Sir, here are the books. We have paid out \$10 million or \$40 million or whatever the book says. On top of that, we not only want that expenditure paid up, but for our trouble we will add another 12.5 per cent."

**Mr. Haggerty:** That goes back to the question I raised a couple of days ago. I have not been around municipal government for the last 17 years, but I know some municipalities a few years ago used to buy their own insurance. They let the board make the decision on what pension should be given to a person who had been injured. They used to carry their own insurance and there used to be a payback from that to the board somehow. I guess you could call it municipal reserve funds they had set aside for that. It worked out very well for a number of them.

When I look at schedule 2, Great Lakes Shipping, for example, carries workers' compensation, but it also carries private insurance. I believe the headquarters are down somewhere in

Bermuda. They have offshore insurance down there that I suppose can be used for different matters of benefit to the company when they are putting money in reserve in a pension scheme. I am sure that, once a decision is rendered by the board, there is a claim allowed on that. Perhaps they pay that through the private insurance company.

The point I am trying to get to is, if private insurance companies can provide a pay-as-you-go policy, maybe we should be looking at a private carrier for the whole thing instead of the board. I do not have the answer, but I suggest that to you.

**Hon. Mr. Alexander:** I appreciate the statement you have made. That is about all I can say. I know we have enacted it. I do not think it is going away. I would love to see it go away. As I said before, the answer is, and I think I am stealing Mr. Laughren's point, to create a very safe working environment so there are no accidents, which is an impossibility. On the other hand, if we can have that perfect work place with a minimum of injured workers and also take them back to work, if both those things happen, you will not be here looking at this report because we will not have a report and you will not have me.

**Mr. Lupusella:** Floyd is talking about a Utopian process, which you are talking about in front of us.

**Hon. Mr. Alexander:** Which process is that?

**Mr. Lupusella:** Utopian.

**Hon. Mr. Alexander:** What is your point?

**Mr. Lupusella:** You have been talking about the ideal—

**Hon. Mr. Alexander:** That is right and we are not going to have it. That is why we have the—

**Mr. Lupusella:** Floyd is talking about Utopia.

**Hon. Mr. Alexander:** Floyd follows, with all due respect, the philosophy of Professor Terry Ison. Mr. Laughren would like to see this whole thing scrapped and brought under general revenue.

**Mr. Laughren:** No.

**Mr. Lupusella:** We never said that.

**Mr. Laughren:** Gross distortion.

**Hon. Mr. Alexander:** It is close to that.

**Mr. Chairman:** You may be accused of putting words in Floyd's mouth.

**Hon. Mr. Alexander:** It is close to that.

**Mr. Laughren:** No, it is not. Not the general revenue part.

**Hon. Mr. Alexander:** Yes, it is.

**Mr. Lupusella:** I was talking about the second injury plan. That is why you had to get the money. That is not the general revenue fund, but the second injury fund. Maybe you misunderstood this point.

**Hon. Mr. Alexander:** I know his point.

**Mr. Chairman:** Let us not get back into it.

**Hon. Mr. Alexander:** His point is that he does not want the board because there is another system that could look after the person. The person who is affected by exhaust fumes out in the street is not recognized under the Workers' Compensation Act.

**Mr. Chairman:** Or by some of the committee rooms that are smoke-filled.

**Hon. Mr. Alexander:** If the same fumes happen to take place within the working environment, the board recognizes that. You take issue with that and that is your policy. Do not tell me I am wrong, sir.

**Mr. Laughren:** You are wrong. The chairman has provoked me. That is where he is wrong. I do not believe it should come out of general revenue. I think the employers should pay their share, if they do not now.

**Hon. Mr. Alexander:** That is another dimension of the situation that I brought to your attention.

**Mr. McKessock:** What did you mean by, "The employers do not pay their share"? Do they not pay at all?

**Hon. Mr. Alexander:** You will have to ask Mr. Laughren that because that is not what I said.

**Mr. Laughren:** Employers pay the full cost of compensation, but if you listen to the injured workers who come into your constituency office and listen to representations by the Association of Injured Worker's Groups and so forth, you will know they are not getting the fair shake they should. Therefore, the employers are not collectively paying what they should to injured workers in the province.

**Mr. McKessock:** You said they are not paying their share. They are paying the whole thing.

**Mr. Laughren:** No. The public sector picks up a big part of the share, and I think that is wrong, through welfare payments and so forth.

**Mr. McKessock:** Canada pension.

**Mr. Laughren:** Canada pension.

**Mr. McKessock:** Outside of workers' compensation.

**Mr. Laughren:** No. I am talking about what the compensation board should be paying for and is not paying for.

**Mr. McKessock:** That brings up a question, when you say whether it comes out of the consolidated revenue fund or is paid entirely by the employer. Have you ever done any study as to what percentage of accidents are the fault of the employee and what per cent are the fault of the employer?

**Hon. Mr. Alexander:** It is a no-fault system. We are interested in how accidents occur so we can advise the employers to straighten out the work place. In other words, the form 7 accident reports are forwarded to the occupational health and safety division of the Ministry of Labour, but when it comes to determining the injured worker's entitlement, fault is not our immediate concern.

**Mr. McKessock:** So you have never looked into that at all.

**Hon. Mr. Alexander:** There is one section covering "wilful and serious misconduct" or something like that, but it is very seldom invoked. Fault does not play a part. It is a no-fault system; therefore, if the injured worker is hurt or disabled—

**Mr. McKessock:** When we talk about the employer paying his share, there are a lot of employers out there who certainly take injury and compensation very seriously, but there are also times when, no matter what extent they go to prevent accidents, they still occur. It is not always the fault of the employer. We all know it ourselves. We have all been in accidents and we know it could be the lack of sleep or not taking proper precautions. There are various ways that accidents happen and employers cannot always be at fault.

**Mr. Lupusella:** If you are saying their assessment should be reduced, I still do not understand where you are trying to get to. What are you trying to demonstrate?

**Mr. McKessock:** It was brought up who should be paying.

**Mr. Lupusella:** The employers are supposed to pay because of a no-fault insurance scheme. Floyd has been stating that the board at the present time is underfunded. The employers should pay more to eliminate the problem of accidents and prevention should be a prime goal to ensure that their assessment should be reduced. Do you have any other idea to reduce the assessment from employers?

**Mr. McKessock:** Something about the unfunded liability was brought up by your colleague. That is why I raised the question.

**Mr. Lupusella:** You misunderstood his point.

**Mr. McKessock:** Not the unfunded liability but the consolidated revenue fund.

**Mr. Lupusella:** We did not raise the issue.

**Mr. Laughren:** I am opposed to that. The chairman likes that idea.

**Hon. Mr. Alexander:** I like the act as it is continually reviewed and brought up to date through your expertise. That is why we are being more progressive than any other province in the Dominion of Canada.

**Mr. Lupusella:** Getting back to the business of the day, do we have some answers or are we going to adjourn?

**Mr. Chairman:** That is entirely up to the committee. I believe we are finished with our opening statements.

**Mr. Lupusella:** Not yet.

**Mr. Chairman:** Are they not finished yet?

**Mr. Lupusella:** No, I want answers, and tomorrow I am going to get into other issues. I was so generous—

**Mr. Chairman:** We have two minutes for answers.

**Mr. Lupusella:** No. Tomorrow they can get into that.

**Hon. Mr. Alexander:** All right. My colleagues have prepared something for me.

**4:20 p.m.**

**Mr. Lupusella:** Mr. Chairman, because the answers are related to different concerns that have been raised and because some members would like to get into a debate about the answers, I do not think it is appropriate to rush the answering process now.

Interjections.

**Mr. Lupusella:** I would like to have the opportunity for members to reply or to raise more questions.

**Mr. Chairman:** You are recognizing the clock, are you, Mr. Lupusella?

Interjections.

**Mr. Laughren:** Do I not have a right to answers to my questions? I do not understand this.

**Hon. Mr. Alexander:** We are ready to answer questions.

**Mr. Chairman:** Appeal to your colleague. He is the one who is opposing you.



**Hon. Mr. Alexander:** We are ready to answer questions at any time, Mr. Chairman. You tell us and I will start answering questions. Luckily, we have had an opportunity to jump in every now and again—and I guess I have been guilty of that—to try to clarify something.

**Mr. Chairman:** It has been helpful.

**Hon. Mr. Alexander:** But we are sitting here waiting to go through the several points that have been raised. I do not know when you want us to do that, but that is up to you.

Interjections.

**Hon. Mr. Alexander:** No. Here it is. You see? All this stuff here.

**Mr. Laughren:** But that does not deal with my questions.

**Hon. Mr. Alexander:** No. Yours are after his; yours are down here, Mr. Laughren. We are right down to Sudbury, Falconbridge and their assessments.

**Mr. McKessock:** Did you finish dealing with Mr. Haggerty's opening statement?

**Hon. Mr. Alexander:** I think we did. Mr. Haggerty started off with—

**Mr. Chairman:** We are going to answer some of the questions until 4:30, and then we will be back tomorrow afternoon at two o'clock to continue.

**Hon. Mr. Alexander:** He expressed concern about the unfunded liability; we had a pretty good discussion of that.

Then concern was expressed regarding the appeal system, the delays and the decisions. I got involved a bit and Mr. Warrington got involved. I do not know whether we answered it completely.

Then you provided a letter from a well-known law firm—and I can remember this—whereby the chap was in possession of a legal aid certificate, which was subsequently withdrawn because of what you said about the delays. I said I would like to see the letter and I think—

**Mr. Haggerty:** The chairman has covered that.

**Hon. Mr. Alexander:** Yes. Then there was the concern about the direction that will be taken under Bill 101 to address Dupré's report. I think we covered that, because I said something about referring it to the industrial disease standards panel, as the case may be, and that was answered by John McDonald.

I think we answered the problems with rehabilitation, particularly for people with ethnic backgrounds. That is all we have and the answer

was explained: the Human Rights Code and the aspect included in Bill 101.

I think those are Mr. Haggerty's concerns. If I am wrong, you can save your concerns for tomorrow because I want to hit Mr. Lupusella now, but I think we have answered yours.

Mr. Lupusella got involved with the question of investments, and the answer was given by Mr. Reilly, as I understand. You also asked for a list of the investment portfolio. We have to get that for you.

**Mr. Lupusella:** Can you also add how much money there is in the second injury fund? Is the money invested or is it kept for ongoing activities, and how much money is contained in it?

**Hon. Mr. Alexander:** That will now be in the record. We did not have that before. Maybe it was in there before but I do not think it was. So you want more information on the second injury and enhancement fund.

I think your next point concerned the additional statistical data that could be included in the annual report. I think we had a fairly wide-ranging discussion of that, and I said I would look into it. You were more or less primarily interested in the pension aspect of it.

Then you had another concern about delays in adjudication. That was covered earlier by Mr. Haggerty.

**Mr. Lupusella:** I understand what was covered in relation to the issue per se, but keep in mind the same issue was raised last year and several years ago, and this is still a problem for injured workers. So it is not just a question of complying with the concern raised before this committee.

I am speaking on my behalf. I do not think that concrete action has been taken to eliminate the problem of delays, with due respect. It is not sufficient just to give us an answer to the issue. The issue was raised last year and in 1981. If you go back for at least nine years, since I was first elected to this Legislature, I have raised the issue of delays.

**Hon. Mr. Alexander:** Mr. Lupusella, I am the first to say yes, there are delays. On the other hand, I am the first to say that Mr. Tom Warrington has tried his best to answer that.

We know there are delays in the appeals adjudication division. Mr. Warrington indicated to you—and perhaps he can help you again—that at this time we have 16 appeal adjudicators. With the new review services coming in, we are going to have eight more. That will provide us with 24 people to conduct these appeal hearings. In the

meantime, we said we hoped we would have the backlog absorbed by July 1. At this time we have three senior review specialists looking at applications to see whether entitlement can be extended without a hearing. That is one thing we are doing now.

Mr. Warrington also indicated we are meeting at eight in the morning and at 3 p.m. in Toronto to try to absorb this backlog. We are also considering whether the quantum of clinical permanent disability awards can go directly to the appeal board if there is no objection. Some people would like two kicks at the cat, by going to the appeal adjudicator and then on to the appeal board.

We have said that what we are looking at is to try to bypass that first one, if there is no objection with respect to the policy we would like to follow through. We have also indicated we are trying to arrange more trips to be scheduled for out of town. Last but not least, and I think some emphasis should be placed on this, we are trying to prioritize hearings that involve financial hardship.

In answer to your concern, I hope you accept some of what I have said as being a step in the right direction to reduce the delays, understanding that in due course we will have 24 review officers who are similar to appeal adjudicators. You also wanted to know something about paying workers directly for prescriptions. This says, "Understands there is an improvement but wants real action." I do not know what else we can add to that. We had a discussion.

**Mr. Lupusella:** It was about clothing allowance.

**Hon. Mr. Alexander:** That is down here further along.

**Mr. Lupusella:** We raised the issue of clothing allowance?

**Hon. Mr. Alexander:** "Clothing allowance issue—gave examples of delays in dealing with matter."

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** Unfortunately, Dr. Mitchell is not here. He would like to be here, but he is not. That question will be answered: how we approach the question of prostheses, clothing allowances, etc.

**Mr. Lupusella:** Again, it was raised last year. I do not want to be repetitive, but Dr. Mitchell last year gave us assurance that he would review the process and that something would be done to speed it up.

**Hon. Mr. Alexander:** I have a feeling that something has been done.

**Mr. Lupusella:** I did not see any form drafted; he did not give me any indication something would be done. This is one year later.

**Hon. Mr. Alexander:** We have not really addressed this question. It was brought to our attention on the very first day. We could not give any answer then because you wanted to continue. I have no fault with that.

**Mr. Lupusella:** No, I do not want to continue. But the medical prescriptions which you made reference to—

**Hon. Mr. Alexander:** We do not have that answer, and Dr. Mitchell is not here.

**Mr. Lupusella:** I think the whole department is in a mess. It is an easy process to prepare the prescriptions. It is not a complicated situation that has to be referred from one department to another. Last year I referred to the same issue that maybe a doctor should be placed there in that particular branch to review the medical prescriptions and to make sure payments would go out as soon as possible.

With the present system you have a structure such that the file has to be sent from the medical aid branch. The file has to be requested and reviewed. You have to review the issue. Then you send the file to a doctor to review the prescriptions. Then the file goes back to the medical aid branch again, with the doctor's opinion whether payment should be made or not. There is too much bureaucracy there. Place a doctor there to review the medical prescriptions. If they are in order, send out the cheques.

**Hon. Mr. Alexander:** I think I know your concern. Mr. John McDonald has a great amount of expertise in this area. We will have Dr. Mitchell here tomorrow.

**Mr. McDonald:** You suggest having a doctor there. There are already at least three doctors there.

**Mr. Lupusella:** It is worse then; it is incredible.

**Mr. McDonald:** Do you want the doctors out?  
4:30 p.m.

**Mr. Chairman:** Let us take this opportunity to break. Dr. Mitchell will be here tomorrow. If you have specific questions he has the expertise in that field and that will be an opportune time to discuss it.

**Hon. Mr. Alexander:** Dr. Mitchell will be at the hospital tomorrow if we go; but then, of course, it will not be that kind of questioning.

**Mr. Chairman:** We will break now and at two o'clock tomorrow afternoon we will get back to that point and answer as many of the questions as we can. Those who wish to attend the hospital

will meet tomorrow morning at nine o'clock at the front door.

The committee adjourned at 4:30 p.m.

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 Reilly, R. D., Assistant General Manager, Executive Division













No. R-53

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1983



**Fourth Session, 32nd Parliament**

Wednesday, February 13, 1985

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, February 13, 1985

The committee met at 2:10 p.m. in committee room 1.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1983

**Mr. Chairman:** We should proceed with this last half day of our review of the 1983 annual report of the Workers' Compensation Board. Before we begin, Mr. Mancini.

**Mr. Mancini:** I was just wondering how we were going to proceed in view of our visit to the hospital this morning. I was wondering if you were going to block some time off this afternoon to discuss the rehabilitation hospital. If we are, when are we going to block it off? I am sure all members must have some comments or further questions they would like to ask.

**Mr. Laughren:** Not me; Mr. Alexander answered all my questions on the drive.

**Hon. Mr. Alexander:** We had a very open, frank and friendly conversation which had nothing to do with this place.

**Mr. Chairman:** Who paid for lunch?

**Hon. Mr. Alexander:** We went our separate ways, but I got him home safely. That is the important thing.

**Mr. Lane:** Mr. Chairman, I would suggest we take a few minutes right now and talk about this morning's experience and then go on with our regular business.

**Mr. Chairman:** I do not think we should spend any more than about an hour on the rehabilitation hospital.

**Mr. Lupusella:** No, Mr. Chairman. I have my problems with this recommendation. Number one, I had the floor. Number two, I did not get all of the replies I was supposed to get, and there is some business that has been left uncompleted. I do not mind handing the floor back a bit later so we may use whatever time is left to deal with the rehabilitation hospital, but I do not think we should give it priority at this time. We should wait until later and discuss this issue after we finalize the business of this committee, which is still not complete.

**Mr. Haggerty:** Surely rehabilitation is part of the business of workers' compensation, perhaps one of the major links in getting persons back to

work. I think it should have some debate. I did not attend the meeting at the rehabilitation centre this morning. I have been there on different occasions in the past. I do not think we should cut off debate on it. I am not satisfied with all the answers to the questions I put forward either, but that is the process we encounter here. If I am not satisfied with the answers I have next year, or I have the opportunity in the Legislature to go after the Minister of Labour (Mr. Ramsay), and perhaps I may get some results that way.

If we continue this way and I say I am not satisfied with the answers, at least my answers are on record. I am sure I can make use of those answers and we can continue here without saying, "I am not satisfied with the answers," and hear the same old story again where we repeat ourselves so many times, as politicians do. I suggest if you had 15 or 20 minutes here, there may be some other questions. I think the chairman mentioned to me that they met with the injured workers' consultant at the board; there may be some information discussed at that time with regard to some of the issues and maybe something that should be cleared up at this particular time.

**Mr. Riddell:** I find it somewhat ironical that Mr. Lupusella would want to stifle debate on the operations of the rehab hospital when his own colleague Floyd Laughren raised some real concerns about the rehab program. Furthermore, let us not forget that we have given most of the time in this committee to Mr. Lupusella. We have been very kind, and we have sat here and have listened to him with all his rhetoric, going back in Hansard years and years ago. We have heard it all before.

If he was not interested enough to go out and see the rehab centre, that is his problem. The rest of us went out there to see it and now I feel we have every right to discuss the concerns we heard at the rehab centre. I suggest we go ahead and do that.

**Mr. Lupusella:** Mr. Chairman, on a point of privilege: First, I would like to correct the record. The reason I did not go to the board's rehabilitation hospital was not a lack of interest; I have visited the centre four times in the past. I know the programs. In fact, I got into questions about the rehabilitation hospital with Dr. Mitchell last



year. I was the only one who raised the problems there. I know what the problems are and I know the treatment people are receiving there. With the greatest of respect, it was not for lack of interest.

Second, I am not rejecting the proposition that the issue should be debated. You have to use your power as chairman to make sure I gain the floor, because yesterday I had the floor and I want the floor back before we deal with this issue. It is as simple as that.

**Mr. Lane:** Why do you not take the floor and leave?

**Mr. Chairman:** When we recessed last night, Mr. Alexander was in the process of answering your questions. It was not a matter of your having the floor; Mr. Alexander was answering the questions.

**Hon. Mr. Alexander:** I had the floor.

**Mr. Lupusella:** We had the floor.

**Mr. Chairman:** It seems to me the majority of the members of the committee would like to have the opportunity to discuss the rehabilitation program. I think it is proper and fitting we block off a certain amount of time to do that. We could run from now until three o'clock or whenever the committee feels on the rehabilitation program at the hospital.

**Mr. Laughren:** I was on Mr. Mancini's side until Mr. Riddell intervened.

**Mr. Chairman:** I heard a suggestion, as opposed to a motion, that we discuss the rehabilitation hospital. We had a visit to the rehabilitation hospital this morning. Can we discuss that now? Who is in favour of that suggestion?

**Mr. Laughren:** What?

**Mr. Chairman:** That we discuss the rehabilitation hospital now.

**Mr. Laughren:** Is that the question?

**Mr. Chairman:** That is the question. Who is opposed to discussing it now?

**Mr. Lupusella:** Mr. Chairman, I used to have great respect for the proceedings of this committee because of your presence, but now I have to change my mind.

**Mr. Chairman:** I know. We will discuss this morning's business until three o'clock. Is that fair?

**Hon. Mr. Alexander:** If I may intervene for a moment, I would like to register on behalf of all my colleagues at the board that we appreciate it that several members were able to go out to the Downsview rehabilitation centre. I do not know what they found. They had the opportunity of

talking with people, of sitting in camera with the hospital patient reps so they could disclose a lot of good things and a lot of bad things.

Overall, all of us found it to be a very informative, interesting and fruitful morning. At this time we have Dr. Bob Mitchell, executive director of medical services—who was at the hospital incidentally. We welcome him here with a number of his officials.

Mr. Chairman, I do not know how you propose to do this. Perhaps Dr. Mitchell would like to open it up. You have some indication of what we do there. Perhaps, Dr. Mitchell, you would like to repeat it by way of a five-minute introduction with respect to what we are attempting to do there, which will lead them in. From there on somebody suggested questions and concerns raised by the MPPs could be brought to our attention.

**Mr. McKessock:** I do not know why my colleague Jack Riddell is eating peanuts because we were well fed up there.

**Mr. Riddell:** I did not have any dessert.

**Hon. Mr. Alexander:** I should never ask a question without knowing the answer, but I will take the chance. What did you think of the meal?

**Mr. Riddell:** It was very good.

**Mr. McKessock:** Very good.

**Hon. Mr. Alexander:** Thank you very much.

**Mr. Riddell:** We should send the cook from here up there.

**2:20 p.m.**

**Dr. Mitchell:** For the members who were not there, I should provide a quick overview of how a patient is admitted to Downsview. It is done in one of two ways. One, the referring physician, the family physician or the attending surgeon, makes a recommendation that, in his view, the patient would benefit by some time in the rehabilitation centre. In the other way, in our monitoring of treatment, we may feel it has reached a stationary stage and that it is particularly important to bring that patient in to make use of facilities that might not exist in the rest of the province.

Once patients are admitted they are seen by one of our 25 physicians on staff and a recommendation is made about treatment. They are reviewed again by the various paramedical groups: the physiotherapist, the occupational therapist, the remedial gymnast and the recreational therapist. Modifications of the treatment plan are proposed at the two meetings. The patient's progress is observed and is fine-tuned

according to how they perform; and finally, a disposition is agreed upon by the team members.

I think it is very important to recognize that it is a team of professionals, not one doctor who is making the decision. It is an honest attempt. It is not always the correct answer, but it is the best we can do with the group of professionals we have. That was the lead statement.

**Hon. Mr. Alexander:** In order to assist my friend, Mr. Lupusella, who is not talking about medical rehabilitation, if I can use that expression, with one of his questions—an ongoing, seven-part question about vocational rehabilitation—perhaps after we finish the hospital, if the committee so desires, we will move from medical rehabilitation to vocational rehabilitation. There were several concerns raised, not only by Mr. Lupusella but by others as well, including Mr. Floyd Laughren. If that sequence is acceptable, sir, I think it would be an excellent way to go.

**Mr. Chairman:** That sounds fine to me.

First of all, Mr. Mancini; and I would ask members please to bear in mind the time and I would remind them not to take an awful lot of time. I said that before anybody spoke.

**Mr. Mancini:** We will leave it to your judgement, Mr. Chairman, to keep track of the time.

First, let me say I am glad the committee had the opportunity to go to Downsview to visit the hospital. There were some of us who had not had the opportunity before. I am glad we went as a group. I think it is more effective to go as a group because we learn from each other and there seems to be more goodwill built up on all sides of the issues that come forward in travelling the way we did this morning.

I would like to bring up specifically some of the concerns that were brought to us on an individual basis from different patients and from the patients' representatives who were there and whom we had the opportunity to meet.

Before I start, my own experience is that people are either fairly satisfied with the process there or they are completely dissatisfied with the process. It is hard to find anything in between. My colleague Mr. Riddell mentioned to me he had talked to a construction worker with a bad back and had questioned him on his problems and his views of the hospital. The answer was, "Everything seems to be fine, but I really do not think they are doing anything for me here." That is the overall view of the hospital I have.

I am not sure what kind of rehabilitation takes place and I am not sure of the definition you are

using for rehabilitation. We know the average stay there is 19 days. I am not sure how much rehabilitation can be done in that time. I personally believe most people are there for assessment of the extent of their injuries, so the board will have an opportunity to cut off benefits, if it wishes, to extend full temporary disability benefits or to assess the person with some type of pension.

My view of the board's hospital is that there is less emphasis on rehabilitation and more emphasis on assessment. That is a general statement I would like to have on the record.

When we talked with different individuals and with the patients' representatives, they brought up the subject of the bathing suits. They were quite concerned that everyone had to wear the bathing suits provided by the hospital. They were quite concerned about the spreading of any type of bacterial or viral diseases by everyone sharing these bathing suits, and they were wondering why one cannot bring his own bathing suit.

As far as I am concerned, I would not want to go into a situation such as the hospital at Downsview and have to wear a bathing suit that has been used by possibly 10 other people before I got to use it. I would be much more comfortable and very willing to be informed, "You may bring your own, or we will supply you with one." I want to ask the doctor whether there would be any problems in offering that option to the patients.

**Dr. Mitchell:** If I might reply to that whole statement, you have been very perceptive in your summation and I would have to agree with most of the statements you have made.

Certainly in the past the rehabilitation centre has done more assessment than rehabilitation. That is because the interval between the time of injury and the time they are admitted to Downsview has been so long—1.4 years for the average patient—that we have not been able to do rehabilitation. At that time, a year and a half after an injury, it is very difficult to have an impact upon an injury. Your perception of that is absolutely correct.

We have felt uncomfortable with that for a long time, and when we had the Peat Marwick people reviewing and surveying a year ago that was expressed to them. They put in their report that admission prior to six months following an injury would be a more acceptable time frame than 1.4 years. In December 1984 we initiated that program; we are attempting to admit patients within six months of their injury.



**Mr. McKessock:** You said the average is 1.4 years?

**Dr. Mitchell:** It was 1.4 years in the past, yes. We are moving that time frame forward to try to admit patients within six months of their injury for the very fact you have mentioned. If you get them within six months you have the opportunity to have an impact on rehabilitation rather than just assessment.

What is rehabilitation? As I explained this morning, it is a process, a stage, which the patient—the injured worker—has to initiate by his own activity; having suffered an injury, having been operated on or not, and having recovered to a point, he is preparing himself to return to normal living, to move again where he has been injured, to get back to daily living, to be able to return to work.

It is an active process; however, many of those who come to us do not recognize that we are not doing it for them, that they have to do it themselves. We provide them with physiotherapy. We provide them with occupational therapy. We provide them with gym exercises to tone up muscles that have fallen into disuse. We try to emphasize physical fitness. As you know, we also have a recreation program, which again tries to get them involved.

We, like you, are sometimes amazed that the two groups mentioned exist: those who write complimentary letters saying, "This is the best place we have ever been to;" and those who write, "This is a terrible place." We have had letters that said, "The food is awful;" and yet we have had an independent view today that it is very good, and that is our view. Obviously, you cannot please them all, but we do try.

**Mr. Mancini:** I am sorry to interrupt, but I just want to get back on the point as to what people actually perceive before they go in and then what happens afterward. For example, I wonder why there is not some type of arrangement whereby all the people who are admitted today can go to the auditorium and have a counsellor or someone else there to say: "Look, we are not miracle workers here. We are really not going to rehabilitate you. We are going to try to assess the degree of your injury." In that way, after the person gets there, on the first day the person knows exactly why he is there.

I met people today, and I have constituents to whom I have talked in the past, who actually believe, for one reason or another, that they are going there to get better. In many cases, as we discussed just in the past five or 10 minutes, that is not so. I think a lot of those problems could be

resolved if they had some kind of orientation as to why they are there.

**2:30 p.m.**

**Dr. Mitchell:** We do have such a program, and to the best of my knowledge it is still running. I would have to telephone to make sure, but I have seen it. It is a slide presentation, with pictures; our orientation program.

I would stress again that we are moving into that time frame where rehabilitation will be emphasized, as opposed to assessment. What you have said was in the past. We are changing the program. We feel confident that perhaps by the end of this year we will be able to say we were primarily doing assessments but we are moving to a more active phase.

**Mr. McKessock:** Just to go along with what Mr. Mancini was saying, someone mentioned being confused by being pushed to the point where it seemed to be doing more damage than good. They could not quite understand that. If this was a reassessment so that you could determine the extent of their injury, that would be a little more understandable, but they were saying, "We are trying to be rehabilitated and yet we are going at it too hard at the start. Instead of building up, we have been overpushed."

**Dr. Mitchell:** That is a problem patients in general suffer. Certainly in the field of surgery, you see all ranges. You see the person you operated on sitting up beside the bed and reading a paper the next day. Others are lying back saying, "Do not touch me; I am too sore." I do not know if you have ever had any fractures, but you have to get a joint moving and it can be a very painful process. I guess it is a matter of balance and perception that some of them think they are being pushed too hard and trying too much. There is always a variation with individual patients.

These therapists are trained people. They come to us from good hospitals. We have people who leave, for example, Toronto Western Hospital, Toronto General Hospital and Wellesley Hospital. They come for jobs and they are well trained. We cannot supervise every action of every patient, but I would feel most of those people know what they are doing, know the limits within which they should stay and we just have to have confidence in them. If there is a complaint, we investigate to make sure an individual is not being pushed harder than he should be in these situations.

**Mr. Mancini:** What about the bathing suits?



**Dr. Mitchell:** Those bathing suits are laundered after each occasion. They are collected when they are finished with them; they are laundered and then put back in use.

I was trying to think why they would not allow individual bathing suits. I suspect it is because of the different types and styles. They might feel it is unsuitable in some of those mixed classes. I do not know. I will certainly look into it and get an answer. I do not believe anyone is using a bathing suit that has been used by anyone before.

**Mr. McKessock:** I think you are right that some of them would rather wear red bathing suits than blue.

**Mr. Mancini:** There was some interest and some comment expressed about the sinks. Some individuals felt they were too low for the wheelchair patients and for people with back problems. They felt the bending was something they should not have to go through. Is there a problem with that?

**Dr. Mitchell:** It is a problem unless we have a sink that moves up and down. We get all types of people, all sizes, but sinks are fairly standard in hospitals. The plumbers tell us what is the most convenient level and it is used. Drinking fountains and sinks were the two things complained about in the meeting of January 22. We got the minutes of that. Our staff investigated and felt there was very little they could do that was reasonable to suit all types of people with injuries.

**Mr. Mancini:** I talked to a person from Windsor and he was telling me that when he was being admitted he did not realize, until he almost slipped and fell, that there were not proper rugs to collect snow or water being walked into the building. Is there a problem with that?

**Dr. Mitchell:** I do not think there is a problem with the building. I think it is a problem with the weather we have been having. There has been a lot of snow and slush. I say this quite impartially, having worked in many hospitals in my life, the floor cleaning there and the services are really excellent.

**Mr. Mancini:** I did not want to say the floor cleaning services were not good, but I was wondering what would be the big deal about not having a rug here. If it stops a person from slipping and falling, it seems to be such a minor thing, but not to have one could cause such a big problem.

**Dr. Mitchell:** I would suspect that when people enter from outside, on a day such as we

had yesterday, that rug would be pretty useless in a short time. I would be glad to look into it.

Interjection.

**Dr. Mitchell:** I think it is a vinyl floor.

**Mr. Haggerty:** There should be some type of mat they could get, because if there is water there you can really go for a spin.

**Dr. Mitchell:** We certainly do not want any more injuries, do we?

**Mr. Haggerty:** I have had complaints from injured workers in my area. In fact, one of them fell because of the weather conditions in the winter months. Maybe a suggestion is that if you get clients in there of that nature, who are not sure on their feet, perhaps they should not be let out under those circumstances unless there is a pickup at the door for a car or something like that where they do not have to get out and walk 10 or 15 feet or something to get a taxi. Perhaps on a day like yesterday they should put a sign up there saying that nobody is to leave the premises.

**Dr. Mitchell:** About 30 per cent of our patients are ambulatory care. They come in on a daily basis, so we have to have them coming in and out. They do not stay in overnight.

**Mr. Mancini:** Another big area I would like to touch on which I think is very important is that the patients, those I spoke to anyway, did not feel they were told enough about their particular injuries or physical problems after they had been seen by the doctor at the board.

I guess the procedure when you come in is that you get a full physical and then you are told—or you are supposed to be told—what that particular doctor views as your problem, even though the person's family doctor may have already said: "We think this is your problem" or a specialist back home may have concurred.

I think it is very important for the board doctors to pass on immediately to the patient: "Yes, I agree with your family doctor and specialist back home;" or "I am not sure. We think it might be something else;" or "I do not know."

The patients found it very troubling actually to be at the hospital, have the physical done and then be sent to classes to do exercises or what have you and still not really be 100 per cent sure of their physical problem. I was wondering if you receive that complaint on a regular basis and if it is a policy of the board at the hospital to ensure that each patient is told by each and every doctor, "Yes, we believe this is your problem."

**Dr. Mitchell:** I think you are absolutely right. That should be done and we believe that is

being done. We do not get that criticism on a regular basis, but I will certainly reinforce it. It is a basic requirement. You get a patient in, tell him what the problem is and what you are going to do. It is common courtesy.

**Mr. Mancini:** We found that prevalent today. I was surprised.

**Dr. Mitchell:** That is very interesting. I am surprised too.

**Mr. Riddell:** Does the initial examination differ with patients? Some of the patients received a thorough physical when they came in, other patients said they received very little.

**Dr. Mitchell:** It depends on the injury, I would think. In the case of a patient who has been well documented and seen by a number of specialists and has a lot of documentation, the admitting physician may elect only to examine the affected part—a hand or knee. Those who have not had detailed examination in the past might well have a complete, thorough examination from head to toe.

**Mr. Laughren:** Remo is right. The big complaint was not being given a diagnosis of the problem.

**Dr. Mitchell:** Sure. I was answering a separate question. No, I would not disagree. It is actually fundamental in my view and is part of what we try to teach and be sure happens.

**Mr. Mancini:** I guess you are going to speak to the staff to make sure that is re-emphasized.

**Dr. Mitchell:** Yes, I have made a note of it.  
2:40 p.m.

**Mr. Mancini:** There are several other small points I wanted to raise, but I do not want to steal the time from the other members. I want to raise a point that has been brought up by a particular constituent of mine who is there now. I spoke to her for about 20 minutes today privately and she felt very dissatisfied, was almost in tears about her particular treatment at the hospital.

She felt she was not being assisted in any way. She mentioned several different points. I would like to have a chance to speak to you personally about it or have Mr. Alexander have a meeting with her because I think this constituent should be helped. I guess it is too late now. She is going to be discharged in another week or so. Perhaps what I should do is prepare a lengthy letter and point out each of her concerns.

**Dr. Mitchell:** I would be happy to talk to you or I am sure the chairman would.

**Mr. Mancini:** I do not know how prevalent this is, but she told me she would probably

complain more but she felt it might hurt her reassessment. I wonder how we could encourage people to speak out without feeling any fear. Is that possible?

**Dr. Mitchell:** I think the patient representatives you met are elected by each group there. They stay on the average for only three weeks, so the patient representatives change. They are not permanent positions. We encourage their meetings and we take quite seriously the recommendations that come out of them. These meetings are held every Monday evening. On the Tuesday morning the liaison counsellor prepares a list. I have a couple of examples here. Points are made, they are distributed to the relevant people and an attempt is made to answer them.

**Mr. McKessock:** There was one complaint by the representatives of the patient committee that things are turned over to the workers' compensation people and they come back with the response, "The matter was discussed," but they do not get the results of the discussion. They wanted more than just the fact it was discussed; they wanted to know the results.

**Mr. Chairman:** A good example of that was the business of the low sinks. The matter was discussed, but they probably never had a satisfactory answer.

**Mr. McKessock:** Getting back to the swimming area, they talked about a small outbreak of athlete's foot. Three or so people have it. They thought there should be a foot bath before they go into the swimming area. Is that contemplated; and also, how much chlorine is in the water?

**Dr. Mitchell:** It is monitored very closely. We get bacterial counts on a weekly basis. Everything is done. The recognition of the possibility of spreading infection is well looked into.

**Mr. McKessock:** What do you mean by a weekly basis? It would be checked more often than that, would it not?

**Dr. Mitchell:** A bacterial count where an actual sample of the water is sent for a culture for bacteria is done on a weekly basis. There is no point doing it more often.

**Mr. McKessock:** Would the chlorine tests go on day by day?

**Dr. Mitchell:** The chlorine content is checked several times a day.

**Mr. McKessock:** Is a foot bath going to be put in for use before they go into the water?

**Dr. Mitchell:** I would like to look at the implications of that and respond subsequently. I really do not know. Until now, we have not had a



problem with serious infections. Athlete's foot, as you know, is not necessarily contagious. It comes from not drying between the toes. It is a fungal infection. It is not like a bacterial one that is very contagious. If people go into the pool and do not dry properly and then get into wet socks, it can develop in that way. It is not what we would call a really infectious problem. If it is perceived as such, we have to look into it and see what we can do.

**Mr. McKessock:** A foot bath would be fairly simple and it should be fairly effective too.

**Dr. Mitchell:** A foot bath is simple. I do not believe it would necessarily be effective, with all due respect.

**Mr. McKessock:** Why?

**Mr. Haggerty:** They use it in public—

**Dr. Mitchell:** They use it in a lot of places. They use a lot of things that are perceived to make a few people feel better. Probably the best thing is a type of desiccating powder.

**Mr. Haggerty:** In many cases you must have it any place there is a public swimming pool. I believe it is under the department of health or the medical officer of health.

**Dr. Mitchell:** With a shower.

**Mr. Laughren:** Are you suggesting it is a foot placebo?

**Dr. Mitchell:** Thank you, Mr. Laughren.

**Mr. Lane:** I would like to make a few remarks. Most of what we observed this morning has already been talked about. I would like to thank Mr. Mancini for suggesting we make this trip. It was his idea and it was very worth while. We learned as a group and exchanged ideas and listened to the same types of complaints, and so forth.

I was pleased to find it such a clean, cheerful, comfortable place. No one wants to be in a hospital or any institution, but if one has to be, it is about as good as we could expect. We all found the food was good—no complaints there.

We had some complaints from the patient representatives. One improvement would be better liaison with that group in getting back to people who have complaints. They talked about having 60 people at their meeting last Monday night, so a fair bit of interest was shown. They seemed to feel that while somebody tells somebody else what is wrong, nobody does anything about it. I agree with the doctor that the group itself could not agree about the sinks. One person thought they were too low and another thought they were too high. Getting back to them

and saying, "This is why we cannot have it this way," is one way of resolving it.

The spokesman for that group indicated his family doctor had told him what his problem was and had suggested there was no point in his going to Downsvew. The man wanted to go. He got a complete medical examination there and they told him the same thing, that they could not do much for him, other than surgery, which they did not recommend, nor did his doctor. But he was there and they were trying to help him. I do not think he was saying they were not helping him. He was the spokesman for the group. I felt that if the doctors there agreed with his family doctor, there was not much more he could expect. He was more or less saying that to us.

I talked to one patient in the workshop who felt she worked too long at one process before she had another check from the doctor. She said she was having a bad morning and the pain was excessive. However, I had a feeling they were being observed even if they were not having individual examinations as often as she wanted.

On average, I got as many compliments as complaints about the place. I was certainly impressed with the gentleman we met before we left, the one who had both legs amputated and who was taking a view of life most of us do not take. He was saying how lucky he was. The words he used were: "When you have a mishap like I had, the Workers' Compensation Board is your mother and father. It tries to do everything it can for you."

**Mr. Laughren:** Oh, my God.

**Mr. Lane:** I think those were the very words he used. He has had a partial assessment and he will be getting a final assessment. I wish some of us who have not suffered the kind of agony he has could have his attitude towards life.

By and large, I thought it was a good exercise. I am glad we went. There will always be some things that could be improved—nothing is perfect—but I was rather impressed with the whole operation.

**Mr. Laughren:** Very briefly, I think Mr. Mancini covered most of the points the patient representatives mentioned to us. I was amazed at how many of my constituents I met there. I will have to go there and campaign. When the election is called, I will be knocking at the door of the WCB rehab centre.

**2:50 p.m.**

Almost everybody I talked to was there with a back problem. I am surprised it is not more than



40 per cent. I think he said it was 43 per cent or something.

**Dr. Mitchell:** I think I said 60 per cent.

**Mr. McKessock:** We heard two different figures, 60 and 40.

**Dr. Mitchell:** I can tell you now that 93 per cent of the patients in Downsview have back problems, but that is not the incidence.

**Mr. Laughren:** So what is the number?

**Dr. Mitchell:** In the past, for those patients coming in at 1.4 years after their injury, backs were 60 per cent of the total. If you look at claims, early on it is 25 per cent. As time passes, goes up to 40 per cent. When we got them in Downsview it was 60 per cent; and today it is 93 per cent because of the special program we have started.

**Mr. Laughren:** What is confusing is the introduction to the Downsview rehab centre says approximately 45 per cent of injured workers are admitted to the centre because of back disabilities. That is why they are admitted in the first place. Anyway—

**Hon. Mr. Alexander:** Do not leave that yet, because I would like to know which figure I should use, doctor. I am always referring to the approximately 12,000 admissions, and I have been saying 50 per cent. I do not mean to be light about this, but I use certain statistical information; so the one I use now in terms of back disabilities is 60 per cent?

**Mr. Laughren:** You are wrong on all counts.

**Dr. Mitchell:** I am sorry if I confused you, but it depends entirely on the time after their injury when they are admitted to Downsview. Workers with other injuries tend to go back to work and to normal living, so their proportion drops. As the months go by after the injury, the proportion of backs increases. It starts at a low figure and increases as time passes. If you look at three months, it is probably close to 40 per cent. If you look at a year, it is 60 per cent.

**Mr. Laughren:** There is a big turnover; can you not say at any one point how many people in that place are there because of back problems?

**Dr. Mitchell:** Yes, we can.

**Mr. Laughren:** What is that number?

**Dr. Mitchell:** Today it is 93 per cent.

**Mr. Laughren:** No kidding. That is amazing, because someone there asked me today whether I had heard the rumour—I am glad the chairman is here—that the rehab centre was going to deal only with back problems and everything else was going to be done in Hamilton. I am serious. I

thought, "That chairman has just challenged John Smith again."

**Hon. Mr. Alexander:** I did not put my stamp of approval on that, nor has it been brought to my attention.

**Mr. Laughren:** That was mentioned to me. Another thing is, what is the early back care project? Is there such a thing?

**Dr. Mitchell:** Yes, sir.

**Mr. Laughren:** What is that?

**Dr. Mitchell:** The early back project was a pilot study to see whether we could improve results by admitting people at an earlier time following their injury. We did a six-month study on that. It was based on work done in British Columbia, where a back program was instituted and they claimed very significant results by getting the people closer to the time of their injury.

We instituted that on a six-month basis, and I must say our preliminary results were very impressive. Because of that, we decided to institute this new program I was alluding to earlier whereby we were trying to have all patients admitted to Downsview within six months of their injury.

We have a large proportion of backs because we started with the back patients; phase two may be other injuries.

**Mr. Laughren:** I see; that is why you have 93 per cent with back problems.

**Dr. Mitchell:** That is exactly right.

**Mr. Laughren:** I am glad you are experimenting with the whole back problem, because nothing is as aggravating as that; it must drive the board bananas as well. When someone comes into my office and says he has a problem, my first question is, "Is it your back?" Invariably, it is. It is extremely difficult.

**Hon. Mr. Alexander:** We have a number of people at the board who have back problems. I do not want to single myself out personally, but I have a back problem. John McDonald just had an injection. Al MacDonald has a back problem, and so does Tom Warrington.

**Mr. Laughren:** But they are all on light duty.

**Hon. Mr. Alexander:** You scored one there, sir; I will not argue that point. However, we are apprised of the concern people have about backs; a lot of us do suffer from some form of back disability.

**Mr. Haggerty:** Mr. Chairman, I was looking at Interface, The Workers' Compensation Board, in the Ontario Medical Review of January 1985.

It says, "New Arrangements for Admission to Downsview Rehabilitation Centre," from Robert I. Mitchell.

Boy, you have a lot of titles there. Do you have any more titles?

**Dr. Mitchell:** Yes I do, sir.

**Mr. Haggerty:** You have five or six there. You are well qualified, I guess. One is executive director.

**Mr. McKessock:** What does your wife call you?

**Dr. Mitchell:** I answer to anything at home.

**Mr. Haggerty:** I was looking at the changes that are coming about and that have been discussed in regard to bringing the injured worker before the board sooner for rehabilitation assessment. Perhaps that is where the problem has been before. Sometimes it is two or three years before they finally get to the board.

I was concerned about the comments that you would be getting them in within 90 days. Are you not going to have an overload and a waiting list for the doctors to whom you have sent out the information if you get people to the rehabilitation centre much sooner? Will there be a problem? What are your answers to overloading, if there is a long waiting period to get in? I think there are cases now in which the waiting period is three months.

**Dr. Mitchell:** When you start any new program you have to plan ahead of time and see what the numbers look like; then you initiate it and see what happens. We actually identify the patients at 90 days. We identify those who have passed the 90 days. The reason we selected that time is our experience has shown that 88 per cent of workers return to work within 90 days.

We were looking at the 12 per cent who did not. We did not want to take on too much. We selected that time frame of 90 days; we thought we would then assess from that file what the current situation is. We will try to make a judgement from the reports we have whether patients would be helped by coming in to Downsview. That is done at head office. If it is felt they would benefit, their name is put on the list and they are admitted.

We have a computer working on this. Our first printout showed about 1,000 names.

**Mr. Haggerty:** Computers make mistakes too, you know.

**Dr. Mitchell:** I know; we do not depend on it entirely, it is only a check. Obviously at this time we have a tremendous number of patients on the waiting list. Our waiting time is longer, but we

are gaining on that. It will drop in a very short time. When it does we will introduce what we call phase 2 in that article, we will bring in other problems. There is a waiting time now because there is a big number. It is diminishing and we will be going to phase 2 about the middle of April.

**Mr. Haggerty:** It has also been brought to my attention that a number of injured persons, particularly those with back injuries, may be off work for a couple of months and then they are put back into the work force. Sometimes injured workers feel they are put back too soon in relation to their normal job in the industry. They complain they are put back to work at the same job on which they were injured.

How many of those, with back problems are repeats, workers who went back into the industry and should have been given lighter jobs instead of going back to their old job, for example using a sledgehammer, at a time when their back muscles might not be toned up as they should be? That could cause more problems. You do have a number of repeats in this area, do you not?

**Dr. Mitchell:** We certainly do.

**Mr. Haggerty:** What is the solution to reduce that number? Is the message given back to the industry that it should use some caution with regard to injured workers; let them develop, get back in the groove again and tone up their back muscles gradually?

**3 p.m.**

**Dr. Mitchell:** We do have a program at Downsview where we try to ensure the patient is ready to go back to a specific job. In actual fact, we have occupational therapists, vocational rehabilitation counsellors, visiting the work place to try to make sure injured workers can go back to a specific job. We get it detailed.

You must recognize that some of those people who are sent back have never been seen at Downsview. It may be a decision by their family doctor or their specialist, "You are ready to go back;" however, we will take responsibility for the ones that we see.

**Mr. Haggerty:** I had an injured worker come into my constituency office just a week ago, walking with a cane. I asked, "Workers' compensation?" and he said: "Yes. I just got back from the rehabilitation centre." He had a knee injury.

I read the report that said he could go back to work. It said, "You can go back to your original job with no restrictions on your employment." His family physician said, "No way should you



go back there." In fact, I think he advised me that the doctor said, "You had better get some aid to assist you in getting around right now," because he was limping and everything else; so he went out and got a cane. That is a problem where the member of parliament or the injured workers' group will get into the picture and say, "Why was he sent back too soon?" I do not have to tell you about back problems, and I think knee problems are just as tough to correct.

**Dr. Mitchell:** Yes.

**Mr. Haggerty:** I think of a friend of mine who had two operations not too long ago. The first was at St. Joseph's Hospital here in Toronto, a serious operation on the knee, and they put him under. He came back, and to get movement again they had to put him under again and force it. The pin slipped out and he had to go back a year later for further surgery. This time they had developed a little machine, it is like a hydraulic ram, so that right after the surgery that knee was in motion. He never had any pain. There are some advances in this area.

Looking at the overload, have you considered alternatives to bringing people maybe 100 or 200 miles to the rehabilitation centre here in Toronto? I think of the Shaver Hospital rehabilitation centre in St. Catharines. That is an excellent rehabilitation centre for persons who have lost limbs. They do an excellent job. They have physiotherapy and a pool there for back problems, trying to get persons back to work.

Would it not be more reasonable for the person go there for that type of rehabilitation instead of bringing him here to Downsview, away from the family? I think half of the therapy is tied in with the family. That would remove some of the stress. Have you considered where they have the facilities? I am sure they would have them in the larger centres in northern Ontario. They probably have a good rehabilitation centre in one of the hospitals in Sudbury, Sault Ste. Marie or Thunder Bay, instead of bringing them away down to Toronto.

**Dr. Mitchell:** We certainly do look at that. As a matter of fact, yesterday we had a visit at Downsview from the people in Ottawa, from the Royal Ottawa Hospital Regional Rehabilitation Centre, talking about this very thing.

I think it is fair to say that a lot of patients who are treated before they come to Downsview go into such centres as you have mentioned, but still have not progressed. Those centres have a wide range. They deal with—

**Mr. Haggerty:** That comes back to Mr. Mancini's comment that the only reason they are at Downsview is for assessment rating.

**Dr. Mitchell:** No. You will find, interestingly enough, that they have been to those centres on a daily basis but the number of hours they have had of physiotherapy has been quite minimal. I was about to say that it is because they have so many other programs going on. They have stroke victims, they have arthritic people there, in the case of Ottawa they have paraplegics; so their treatment staff has a tremendous range of diseases to deal with and those diseases such as the strokes or the paraplegics often take precedence over someone with a back or a knee injury. As a result, the amount of time given for actual treatment is less than we have been able to give at Downsview. By getting them physically there 24 hours a day, having them there, we can give a more intensive program.

We do not oppose, and we do see the tremendous advantage of treatment in the local area, but unless those centres can deliver a program we feel is as effective as ours we would not recommend it. Our job, and I see it as a challenge, is to encourage those centres to develop units that could deal with the problems.

**Mr. Chairman:** We have three other people who would like to ask questions. Mrs. Sloat, did you have your hand up?

**Mrs. Sloat:** Mr. Chairman, as a new member of the committee, I just want to say how much I enjoyed the hospital tour this morning. I found it cleaner than most hospitals I am used to.

I sensed the spokesman for the patient liaison group really felt that if you came to Downsview you would be cured. This is a hope in his heart, and I think that was the reason for his disappointment. That attitude seems to be the key to the whole thing, because any rehabilitation takes a great deal of time.

Perhaps some emphasis could be put on adapting the patient to the fact that he is going to have a chronic back problem for the rest of his or her life. It is not a pleasant thing to have, but some emphasis should be put on that: "You are going to have this chronic back problem for the rest of your life. How are you going to deal with it?" This is the problem, but I am certainly impressed with what is going on.

I want to make a point about the foot baths at the pool. I do not think they are in operation in most new pools at present because at most of them the local health department takes swabs for any bacterial or fungal infection. They are not usually put into new swimming pools now. They were in use in older pools, but they do not seem to have been terribly effective in controlling disease.



I was pleased to be with the group this morning.

**Mr. Chairman:** Thank you, Mrs. Sloat. We were pleased to have you along with us.

**Mr. Riddell:** Mr. Chairman, I think Dr. Mitchell partly answered my question regarding the changes he sees at the centre to give the patients more rehabilitation and less of the assessment my colleague referred to. Do I understand you are going to try to get these patients much earlier after their injury, and you are going to give them more individual treatment?

The reason I ask is that one of the complaints we heard today was that there is far too much group therapy. We heard that one of the patients in this group therapy program actually cracked his fusion. He was in there doing exercises that he should not have been doing. They treat them as a group with a back injury; therefore, "These are the exercises you are going to do." They feel they should be given a little more individual attention based on their specific injuries and no one should expect a guy with a back fusion to have to raise his legs way over his head. Is this one of the changes you see, more individual type treatment?

**Dr. Mitchell:** That is a very good example of how we would not want to see things develop, that is quite right. However, there is some advantage in group therapy. You feel one of the number and you are competing against people with the same injury; it sometimes has a very positive result. It encourages people to try a little harder and work together; but obviously we do not want to have someone with a serious problem being overextended, that should never have happened.

People always have a different perception of what caused that fusion to fracture. Before I would accept that the exercise did it I would like to have a good look at it. The patient probably perceives it as such. That is one of our problems: patients do have a different perception. They come there to be cured; we do not cure them and they are terribly disappointed; therefore, we are doing a bad job. We are very frank. We do not cure everybody; we cannot.

3:10 p.m.

**Mr. Riddell:** I also wonder about this educational course that is given to the patients. I understood Anne-Marie to say they come in one day and they learn about the anatomy, and the next day they learn which part of the anatomy is being affected by certain injuries and so on.

Would it not be far better to give these patients that kind of course when they first come in so that when they go through their treatment programs they will have some idea why they are being asked to do certain things, such as strengthening the muscles in a certain part of the body, rather than giving them the course at the completion of their stay at the hospital?

**Dr. Mitchell:** My understanding was that until we had the large number of patients there, which we currently do, it was given in the first half of the admission program. The problem is that when you come in you are seen by a physician, you have certain tests that have to be done and you are seen by the occupational therapist and the physiotherapist. There is very little time to fit all these things in.

The program you are talking about is the back education program, or you could rephrase it as "living with your back." We try to get that in during the first half because, as you say, it makes much more sense; but we are competing with a lot of other things and it is sometimes hard to get it in. Ideally, it would be better.

**Mr. Lupusella:** I would like to get into this debate, as revenge, if you will.

**Mr. Chairman:** If you wish to. I was going to move on to Mr. Alexander's reply to your questions.

**Mr. Lupusella:** I would like to spend a few minutes on the issue of rehabilitation. With great respect to Mr. Riddell, this issue was raised last year, and there was not a single comment from the Liberal Party. I think this process should be clearly spelled out at this time.

**Mr. Riddell:** You are the guys who send the Hansards home. I do not; so keep talking.

**Mr. Lupusella:** I raised the issue. I know what I raised. I got my answers—

**Mr. Riddell:** I do not need the Hansards to get re-elected.

**Mr. Lupusella:** Nor do I. In fact, I give an assurance to the chairman of the board that I never send out copies of speeches made in the Legislature.

**Mr. McKessock:** Do you mean you are doing this all for our benefit?

**Mr. Lupusella:** I am doing this for the benefit of injured workers. What I am doing is part of my duty as a critic for the New Democratic Party. Since the injured workers not having the opportunity to sit on this committee it is our duty as politicians to do just that.

About the rehabilitation hospital: I have read this introductory statement about when the program started in 1932, how many people have been admitted to the centre and so on. In the past injured workers have complained about physiotherapy or exercises which eventually aggravated their existing physical condition caused by an accident. I would like to know whether there is any way to find out how many people aggravated their physical conditions as a result of exercises or physiotherapy they went through at the hospital, whether their claims have been reopened and so on.

Do you have any statistical data that would give us an indication that people were forced to seek more medical attention as a result of accidents caused by the treatment they got at the hospital, such as the one raised by Mr. Riddell involving the rupture of a disc that had been fused?

**Dr. Mitchell:** We do keep records of what we call incident reports. If someone complains that he has hurt himself or felt more pain after a treatment, then it is reported and is listed in statistics. I do not currently have them with me, but they are listed and I can get them. However, I would say it is a very small number.

Second, I think the physiotherapists would want me to say that there are very few cases where physiotherapy makes things worse. I do not know about you, but if you have been busy in the Legislature and then one day go out and shovel snow you may get a painful back. It is also very true about these patients. They may have had operations and their muscles are weak; when they get into physiotherapy they will feel muscle discomfort and some joint discomfort as a result. That is not necessarily comparable.

**Mr. Lupusella:** I understand the difference. Aggravation of symptoms or of the pain is understandable as a result of the physiotherapy treatment they receive. I am talking about cases in which injured workers' conditions were aggravated as a result of certain exercises they were not supposed to do. I will reiterate the typical case that was raised by Mr. Riddell.

**Dr. Mitchell:** We can take that example of a fusion that snaps. We have seen many of those. The patient is doing well; then, without anything obvious, he will suddenly develop more pain. An X-ray is taken two weeks later and it is seen that the bone fusion has cracked. There is no way you can isolate when that happened. You are doing well, then there is pain and an X-ray a week or two later demonstrates the crack.

If this happened to coincide with the time the patient is having physiotherapy it is a very natural conclusion, by the patient, that the physiotherapy did it; but it may have happened some weeks or months prior to that. It was just the extra movement that started to highlight the pain.

That is one of the problems in treating individuals. Circumstances sometimes draw you to the wrong conclusion. The physiotherapy profession is very aware of the problems. They take great interest in knowing what has been done before so they do not twist a knee that has had a meniscectomy or treat a back that has had—

**Mr. Lupusella:** If I may diverge a little from the topic of physiotherapy, which is a regular routine. We understand that, generally speaking, people admitted to the hospital go there prior to the time the board will assess the permanent disability pension. They go for an assessment of their physical capabilities as a result of medical reports that have been sent to the board indicating the disability is permanent.

The other aspect is that some injured workers may not require physiotherapy or exercises. They are admitted to find out the extend of their capabilities in case they are released and are supposed to look for light jobs. I did not visit the hospital, as Mr. Riddell did, but in the past I have seen certain people doing some type of modified work within the hospital so the experts could find out what kind of light job the workers could do. The board would have the first indication of what kind of rehabilitation the injured worker had to receive when the file is referred down to Bloor Street.

As a result of this work assessment, if that is the right definition, are people getting injured? Do you have any statistical data that would give us an opportunity to find out how many injured workers have had their conditions aggravated as a result of the work assessment given to them?

**Dr. Mitchell:** Yes, we have figures. I do not think we have separated them out, but we could get that information. We would have a record of anyone who was injured in a specific area. With some difficulty, we could do it.

**Mr. Lupusella:** I would like to look at this topic. Going back to previous criticisms raised by injured workers, it appears you have people who hide and follow an injured worker to find out whether he is lying about his physical condition. They are so-called spies. Is that true? Do you deny the allegation that in the past there were spies going among injured workers to find out whether they were lying about their physical



condition or to see whether their complaints were genuine?

**3:20 p.m.**

**Mr. Riddell:** If I might interject: I think some of the greatest spies are the patients themselves, because I talked to a patient today who was prepared to almost show me "the phoneys" out there, as he called them.

Interjections.

**Hon. Mr. Alexander:** I am glad I did not say that, nor will I ever.

**Mr. Chairman:** I think it would be better to answer Mr. Lupusella's question than to comment on Mr. Riddell's.

**Dr. Mitchell:** I can categorically deny we have ever employed spies, nor are there any there; but that does not mean we are not interested in the truth.

**Mr. Lupusella:** He answered the question.

Actually, you are not even denying the allegation that the rehabilitation hospital is like a concentration camp.

**Dr. Mitchell:** I am sorry. I missed that.

**Mr. Lupusella:** In the past, injured workers used to say the rehabilitation hospital was like a concentration camp.

**Dr. Mitchell:** Yes, we have seen those letters. We have seen it referred to as "the barracks," but I really am very proud that there is a group of highly trained professionals working there to the best of their ability. They are not all perfect—none of us is—but we do our best for everybody out there.

**Mr. Riddell:** Mr. Lupusella should have been with us this morning.

**Mr. Lupusella:** I know. I am sorry.

**Mr. Riddell:** I did not observe that at all.

Interjections.

**Mr. Lupusella:** Do you want me to go on with this topic?

**Mr. Chairman:** As long as Mr. Alexander wants to respond to your questions, or you can carry on with the other theme if you wish. It is up to you. You have almost an hour and 15 minutes.

**Hon. Mr. Alexander:** I had a point to help Mr. Lupusella and others. We discussed vocational rehabilitation to some extent, and I would like that matter addressed. Mr. Laughren read a portion of the brief of the Industrial Accident Victims Group of Ontario, the first part dealing with rehabilitation, and Mr. Lupusella had a seven-part question, I believe.

I know Mr. Darnbrough was here for all of this. I do not know how you would like to start, Mr. Darnbrough. I guess you heard the statement made by IAVGO and the seven or eight points Mr. Lupusella made. Are you in a position to answer those concerns at this time?

**Mr. Darnbrough:** Yes. May I start, Mr. Chairman, by saying how much I appreciate what has obviously been a rewarding experience for those of you who visited the rehabilitation centre at Downsview this morning. It seems apparent that there now is a much better understanding of the relationship and the difference between medical rehabilitation and vocational rehabilitation, and perhaps a more concrete understanding of just how important it is that the injured person and the rehabilitation counsellor have a very clear and consistent understanding of the nature and the level of disability and the nature of the abilities, so that they can have a realistic course planned for returning that person to employment.

It will be my privilege to talk about vocational rehabilitation, which is the board's exercise of assisting people to return to suitable employment. As Mr. Lupusella opened his remarks the other day, it was encouraging to note that he had given recognition to rehabilitation counsellors in the past year. His comment pertained to the fact that he perceived a change in the attitude of some counselling people and that he thought this was a constructive and positive change.

The role of the counsellor is an important one, and it is important to understand just what it is that a vocational counsellor is capable of doing with regard to rehabilitation as opposed to what a medical practitioner is capable of doing.

Mr. Lupusella posed some statistical questions and I would like to address these. The first question of the seven put to us related to the number of people rehabilitated as part of the board's vocational rehabilitation program in the past three years. The statistics contained in the 1983 report provide only one year's perspective; I will quote three years together—1982, 1983 and 1984—which may help focus on that.

The rehabilitated category in 1982 was 3,482. In 1983, that increased to 3,981, an increase of 14 per cent. In 1984, it increased again, to 4,410, or a further increase of 10 per cent. We are particularly pleased with this outcome. It is the first time we have managed to exceed the 4,000 figure in the rehabilitated category, and obviously it is the highest number of persons rehabilitated with the assistance of the board in



the history of the vocational rehabilitation division.

Let me give a broader perspective. In the course of a year—and we deal with annual statistics because this is an annual report—when you consider that approximately 144,000 people are disabled from work as a result of their injuries and that in the neighbourhood of 7,500 to 8,000 actually end up coming to the vocational rehabilitation division for assistance, it becomes apparent that a great many people are able to return to work after their injuries, having received income maintenance payments in the form of workers' compensation and having received medical care and payments as they recovered from the injury. Many people, by far the vast majority, return to work with only the first two facets of workers' compensation being applied.

The next statistic Mr. Lupusella was concerned about was the 1984 figure on how many of these people returned to the accident employer, either to their original job or to more suitable work, and how many returned to new positions. The figures for 1984 show that 1,293 individuals went back to the accident employer, 2,162 went back to a new employer and 259 became self-employed.

The next question asked of me was about people who had returned to employment and whether I had information about their earning rates in their new occupations and some indication of the occupational fields they returned to. The question was related to whether they returned to skilled employment, if they left skilled employment, or to something very close to their pre-accident work.

The answer, I am sorry to say, is that this information is not regularly captured in our program. When we were here last March, I explained we are in the process of developing a rather large database and an entirely new system that will make use of a computer and will automatically capture these kinds of data for analysis in the future.

**3:30 p.m.**

However, there is some information that may be of help in answering this question. First, for the new job opportunities we are able to locate for rehabilitated injured workers, the starting salary rate at present is approximately \$6.50 per hour, \$260 per week or \$13,500 per year. Some of the information we have comes from a rather small, manually conducted survey, which I am a little reluctant to offer up as conclusive evidence because I do not consider it as such; it actually

came out of another study we had. In any event, for what it is worth, the average salary of people who returned to the accident employer was in the neighbourhood of \$19,000 a year.

The point to be taken here is that our first course of action in vocational rehabilitation is to try to take the person back to work with the accident employer to protect whatever seniority is there and the pension plan that is there, and to take advantage as best we can of the skills the individual has. You can clearly see there is an economic advantage to doing that as well.

The other point that needs to be made at this stage is that when an individual returns to work and there is a significant wage loss, that is, the difference between the pre-accident and post-accident earnings, there is a section of the act that deals with supplements on a wage-loss basis. This can be applied to bring the person's income level back up to the full compensation rate. That is temporary and, it is hoped, as the person progresses in the new occupation and gains experience, the income for the work will be increased, or other opportunities for advancement will take place. That, in turn, increases the salary level to the point where the supplement is no longer necessary; in other words, to the point where the person has reached the accident level and may have exceeded it.

**Mr. Lupusella:** I have a supplementary on the wage loss. I would like a clear answer. The wage loss exists as long as the individual is losing money because of the accident. Why did you use the word "temporary"? Why is the wage loss temporary? Is it temporary until the individual reaches the same amount as he used to with the formula implemented at 75 per cent of the loss, considering the amount of the pension it is calculated on? On that basis, is it defined as temporary, or is the wage loss given as long as the loss exists?

**Mr. Darnbrough:** I guess the first thing you said is the reason I was attempting to clarify it. It is a temporary situation, I hope, in that the person's income will increase or possibly exceed the level that existed before the accident. The supplement takes care of him until that happens.

**Mr. Lupusella:** That is why you said "temporary"?

**Mr. Darnbrough:** Yes, it is.

The average length of rehabilitation services was the next question you raised. The average length of service is now 12 months from the time a case arrives in the vocational rehabilitation division until the case is closed. That has increased somewhat to almost seven weeks on

average in the past three years, changing slightly in a downward trend towards the end of 1984. Clearly, during the recessionary period we were having more difficulty in securing employment for people. Consequently, the average length of service increased to 12 months.

**Mr. Lupusella:** I want to clarify the statement you made. When you use 12 months as the average length of rehabilitation rates, are you incorporating the injured workers who received rehabilitation assessment plus a training course, which used to be of the length of three months, then four months, then renewed to eight months based on the performance of the injured worker? I still do not understand the framework of 12 months. What is it? Is it a follow-up?

**Mr. Darnbrough:** It is the average figure for all cases. It includes both people who have gone through assessments for training programs and those who have gone directly to employment. Obviously, some of our cases turn over very quickly and that will affect the average. Others require one or two, in some rare cases three, terms at community college or at university level. That cannot be done in under two or three years, so that will affect the average. I gave you the overall average when I gave you the 12-month figure.

**Mr. Lupusella:** You are including also the follow-up process of a person who is under the implementation for the duration of the 12 months, on top of the kind of injured workers you just mentioned who are going to colleges and so on.

**Mr. Darnbrough:** Yes, I am. You have another question about follow-up which I will come to. It is included in that.

**Mr. Lupusella:** Again, you are not dealing with the issues of pension supplement at this stage; it is strictly related to rehabilitation.

**Mr. Darnbrough:** The average length of time, from the time the individual comes to us until the time the case is closed by us.

**Mr. Lupusella:** If I can make a few statements on that issue, I understand rehabilitation and pension supplements are completely different and they fall under your jurisdiction when you deal with pension supplements. But indirectly the pension supplement is strictly related to the rehabilitation process of the injured worker. Am I correct? In other words, based on the performance of the injured worker, the board has discretionary power over whether or not a pension supplement will be granted. Can I assume that?

**Mr. Darnbrough:** Yes.

**Mr. Lupusella:** I think that is the case. Last year I suggested these two departments should work together to speed up the process of the pension supplement. I am not sure any work has been done to improve the performance of your department with the pension supplement department to speed up the process for injured workers who are co-operating with your department. If they are unable, for different reasons, to find a job or are unable to get training courses, the other branch, the pensions department, should get into the picture and the pension supplement should be considered immediately.

**Mr. Darnbrough:** This was a very interesting observation of yours last year. I would like to reassure you that some very concrete measures have been taken to make sure this happens.

We had, for instance, a series of lectures established throughout last year where the pensions adjudication people and the administrator of pensions addressed vocational rehabilitation counsellors so that there was a clear understanding from the pensions adjudicator's perspective of the relationship between vocational rehabilitation counselling and the responsibility the pensions people have for processing the special supplement awards. Very clearly that took place.

From the vocational rehabilitation perspective, we introduced a training program for claims adjudication personnel. Almost 100 people were involved in that program from the adjudication perspective. I can assure you very clearly that measures were taken to tighten the relationship between those two to see that the information flow is good and solid, and, therefore, that in those cases where there is entitlement to a supplement the supplement actually takes place quickly. I think you observed in your opening remarks that you had seen an improvement in that area.

**Mr. Lupusella:** Yes, I did notice some improvement, but if I can use a statement from the chairman, there is always room for improvement.

**Hon. Mr. Alexander:** Sir, you will not be happy until we reach the state of perfection. We are trying our best.

**Mr. Lupusella:** I am imperfect myself. I do not think you will find a human being who is perfect.

**Hon. Mr. Alexander:** I can see what you are saying.



**Mr. Lupusella:** The reason I raise this issue is to make sure injured workers will not be left out and will not have to go through a lengthy process before getting an answer from the board on whether or not the pension supplement should be granted. That principle should be incorporated within the rehabilitation and pensions departments so that this issue can be dealt with immediately when an injured worker is seeking rehabilitation or help.

**3:40 p.m.**

Until the process of an assessment, a training course or a light job comes into the picture there is a waiting period, as you know, for the assessment to be sent to an assessment centre. It usually takes one or two months. Maybe they do not have openings available for injured workers, so their assessments will take six weeks. I would like to make sure the liaison process will be reinforced within those two branches so that when the injured worker comes to your department, at least the pensions department will get the message: "This man is co-operating. He is looking for a light job and gave us the impression that he is trying to do his best. Consider the issue of a pension supplement immediately."

The injured worker is not supposed to fight or go through the appeal system to get a decision on whether he is entitled to the pension supplement. I want this approach to work well and to be reinforced.

I know you are giving me the assurance that there is a training process taking place between the pension department and the rehabilitation department, but I believe the liaison should be strengthened to ensure that injured workers get the full benefit without any delay.

**Hon. Mr. Alexander:** Your point is well taken, sir; it is well put.

**Mr. Darnbrough:** I appreciate your comments and obviously concur with you. Mr. McDonald and I and the staff in both divisions are working on that.

Your next question related to assessments and to training programs. I would like to give you those statistics for 1983. First, for assessments, the total was 3,302; for training programs, the number was 2,400. In 1984, assessments increased by 16 per cent to 3,837, and training programs increased by some 10 per cent to 2,654.

**Mr. Lupusella:** What was the total number of people applying for the service? I do not have that figure.

**Mr. Darnbrough:** No application is made for assessment or for training. That is a decision made collectively between the injured worker and the rehabilitation counsellor. They discuss it, and if they decide that is the proper approach to take, then we arrange it.

You were interested in knowing something about academic upgrading, and perhaps these numbers will be of interest to you. In 1984, the number of academic upgrading courses was 619. The business and clerical courses that people became involved in numbered 207, and post-secondary education courses numbered 309.

A question was raised about the definition of financial self-sufficiency as it relates to closing a case as a rehabilitated case. As you noted, 696 of the rehabilitated cases, or what we consider successful closures—that is, of the total of 4,410—were closed under this category in 1984. That is actually a decrease in percentage from the year before.

I want to take a moment to explain that these cases represent those individuals who have decided that continuing to work is not the answer; these people will not be returning to work. I think each of us has met people who fall into this category: people who perhaps have had previous disabilities or conditions, whether they are covered under the Department of Veterans Affairs or whether they are noncompensable conditions such as heart conditions, circulatory problems or whatever, which in combination with the industrial injury bring the individual to the conclusion that he does not want to return to the work force.

What we see as our obligation in those cases is to make sure that we do everything possible to help such persons reach a level of financial self-sufficiency; that is, that they have maximized their income and that their debts and expenditures are being addressed and are being met on a monthly basis by their income. Some of these people, of course, have other incomes besides their workers' compensation. They may have Canada pension plan benefits, they may have DVA, they may have private insurance programs, or they may have rental income or some other form of income they have accumulated over their lifetime which brings them to the conclusion that it is just not worth while going back to work any longer. Included in this group as well, I expect, are some of those about whom we spoke yesterday, the older workers whose equivalent to the old age supplement is provided through the board.



I hope that answers your question. This is not the ultimate in successful vocational rehabilitation in terms of putting someone to work, which is what we would really like to do, but it is what we consider our duty and our obligation when we are dealing with people who will not be returning to work and who have decided that is the course for them.

**Mr. Lupusella:** Are you including the 696 financial self-sufficiency people in the number of successful file closures, or is that something completely different?

**Mr. Darnbrough:** When I gave you the number of rehabilitated persons at 4,410, it included 696 who are in the financial self-sufficiency category.

**Mr. Lupusella:** So we are talking about 696 who reached financial self-sufficiency stability.

**Mr. Darnbrough:** That is right.

**Mr. Lupusella:** Before you get into other answers, I want to say that I remember last year I was complaining about the approach used by rehabilitation counsellors, that they were leaning towards applications for CPP, family benefits, welfare, etc., instead of dealing with rehabilitation per se. My criticism last year was that this approach was greatly used by rehabilitation counsellors to provide some form of income to injured workers so they would not bother the rehabilitation department for any further assistance.

I notice some change in the mood of injured workers, which leads me to the conclusion that maybe you are hiring more social workers within your department. Maybe that is why the approach is completely different from that of the previous rehabilitation counsellors, who were very aggressive and completely concerned about finding jobs for them and nothing else.

I have noticed a change of attitude, and I am trying to justify in my own mind why this change has taken place. What kind of qualifications do rehabilitation counsellors have in relation to the rehabilitation of injured workers? Are you hiring more social workers within your department?

**Mr. Darnbrough:** I do not think the blend of educational background has changed to any great degree in the past five years. We are hiring essentially the same kind of people that we did previously. We have seen some improvements in the types of courses that are being provided at the university and community college level, and these are the people we are taking. We are also finding that people come to us from other agencies with some experience in dealing with

the placement or re-employment of persons with disabilities.

I cannot say to you that the change is because we are hiring social workers. As you know, and I mentioned this last March, we have had an intensified training program for field rehabilitation counsellors; that may have helped towards the attitude you are speaking about.

However, I do not want to mislead you: the goal is return to employment, and I will not back off on that. That is the approach we take with our counselling people. When they set out to discuss something with someone, it should be very clear, "I am here because you and I are going to find a place for you in the employment market," and the other niceties will take place. I am grateful to hear you think that is being done in a humanitarian way.

**Mr. Lupusella:** It answers my concern, because I believe one of the objectives is to train injured workers and to find job opportunities. I would not like to place more emphasis just on the change of attitude and give less importance to the goal of rehabilitation, which is to find job opportunities for injured workers. I was just trying to settle this issue in my mind and trying to find an answer to the change of attitude by rehabilitation counsellors, and nothing else.

**3:50 p.m.**

**Mr. Darnbrough:** Some of it may have developed from a counselling model that was put together in our division in the past year and a half. In fact, it was presented to all counselling people by Dick Miller, our divisional co-ordinator; he headed the team that developed the counselling model. That may well account for some of the change in attitude; I expect it does.

**Mr. Lupusella:** I hope the chairman plans to give some sort of compliment. I did not get any credit because of my criticism last year. He could say, "We listened to your criticism very carefully and we have been trying to do something about it." I do not need any credit anyway.

**Hon. Mr. Alexander:** I want to say on behalf of all my colleagues on the board that we are very pleased that most of you, if not all of you, have given us credit where credit was due. I want you to know we do appreciate it. I know you know we are not as bad as we are perceived to be.

**Mr. Lupusella:** I do not know that.

**Hon. Mr. Alexander:** Yes, you do. You were just complimenting me.

If you can just hang on a minute, Mr. Lupusella—I do not want to eat up your time—I think Mr. Haggerty had a point. He has just

distributed something headed "Heat Imaging Can Provide Evidence of Pain." My information is that we are involved with that. Perhaps Dr. Mitchell will come up and advise us as to what we are doing. Then I want Mr. McDonald to answer a question that Mr. Laughren asked about the adjudicators—about 50, he said—who are leaving the board.

Dr. Mitchell, the article distributed by Mr. Haggerty comes from the Canadian Bar Association; it appeared in its May 5, 1984, issue and is headlined "Heat Imaging Can Provide Evidence of Pain." Are you aware of this?

**Dr. Mitchell:** Yes. This is thermography. We have been studying it for some time. In 1984—I am trying to recall the month; it was probably August or September—we bought a thermography machine at Downsview. We have been using it to assess its value.

Thermography is a changing art. As you know, it is used a lot in spy missions to detect heat. There are cameras available; the one we are using at the centre has a liquid crystal, which changes colour with heat. We are using it as a pilot project to determine whether it is of value.

It would be premature at this time to give any indication of its real value. We are following it with interest. As a matter of fact, I was just talking today with one of my staff about the importance of moving on with that. It looks to be very exciting in our understanding and mapping of pain, but I would not want to give you an assurance that it is going to be so. We are familiar with it, and we have a machine.

**Mr. Haggerty:** I brought it to the attention of the committee because my colleague Mr. Riddell said of somebody at the rehabilitation centre today that he could not understand why that individual was there; there was nothing wrong with him.

I thought the Canadian Bar Association was using this as an attempt to screen out fraudulent claims, although perhaps I should not use the word "fraudulent" since we are dealing with legal terms. It might be something that would ease the minds of many claimants, perhaps even those at the board office, because it might pinpoint that the pain is there. Often there are questions on an appeal that require doctors' opinions, and doctors sometimes say it is not as bad as one may consider it. I thought it might help to screen out things of that nature and show whether there is a degree of injury.

I was interested to read the profile of Dr. Mitchell in the report. If you have the time to go through that, you will see he is perhaps one of the

best-qualified physicians at the rehabilitation centre. He has outstanding qualities and medical background.

**Mr. Laughren:** What is this? You are beginning to sound like Mulroney.

Interjections.

**Mr. Haggerty:** In the report that was presented to the committee, Introduction to the Downsview Rehabilitation Centre, I was delighted to see that stress is taken into consideration as a factor related to work injuries. Often we forget the psychological impact upon that individual. I have seen some changes in the claims decisions; they are now allowing this more then ever before. I think this is a step in the right direction.

I want to get into a matter that is of concern to me, and I would like to quote from an article entitled "Learn to Handle Stress, Doctor Warns Workers." He goes into detail about persons who deal regularly with emergencies in their employment, such as firefighters and policemen, and the impact that stress has on those two types of employees. It is an interesting article.

It goes on to say: "'Our brain was designed to lead us out of fires, not into them,' he said. 'We weren't meant to deal with emergencies every day.'

"One of the first firefighters on the scene of the 1978 Cranbrook, BC, airport disaster had no problems immediately following the accident.

"But seven months later, he developed a drinking problem. His marriage broke up and he developed seizures and acute pancreas problems. A year later, he lost his job.

"'He was medically a wreck. It looked like his body parts were failing one at a time.'

"The firefighter said he was the first at the scene and saw a man with his legs and lower torso blown apart and a child with no face.

"'Twenty-five people died on him. Forty-three people died that night,' Van Fleet said." That is Dr. Fred Van Fleet. "'What this guy was keeping in him was killing him.'

"Fleet said workers must learn to deal with stress because 'If we don't deal with emotions now, they'll deal with us later.'

"He suggested three methods for dealing with stress. Those who get tense and uptight should breathe deeply and take breaks; those who become angry and whose adrenalin starts pumping should get rid of their energy by engaging in some physical activity; and those who become tired and depressed need social communication and exercise.



"Crisis workers have to learn to wind down on a daily basis, he said."

I often think of what many firefighters have to go through, particularly policemen. I suppose this is one of the reasons they come to the decision that firefighters and police should retire at the age of 60; it is because of the stress. But it does pinpoint a problem, the stress in today's working conditions that is now put on workers in industries and in white-collar jobs.

In many cases it is pretty pathetic. We are demanding more from the worker and putting more pressure on him. I think some time in the near future, workers' compensation is going to have to take a close look at the word "stress" and consider it as part of a work accident or part of the work in certain industries, and perhaps compensation is going to have to be given in this particular area, because there are many people out there who cannot cope with what industry demands today. The impact on those persons is such that many of them have never returned to employment.

I suggest that more research should be done in the area of stress-related jobs, because we are going to have to come up with some answer for that in the area of compensation.

**Hon. Mr. Alexander:** Thank you very much, Mr. Haggerty. I do not want to cut you off, but I am sure the doctor appreciates the comments you have made with respect to thermography, which can work both ways, I guess. I hope that if and when it is found to be acceptable, people will not scream at us.

As it says, "Subjective complaints of pain, numbness and paresthesias can be objectively documented with statistical accuracy in both acute and chronic states." So this can help the injured worker, but it may not. In other words, we will be able to determine who really has pain and who, psychologically speaking, may think he has pain. But this thermographic machine will allow the board to weed them out. I hope people do not scream in the event that it does become a reality at the board. I have a feeling some screaming will be done.

4 p.m.

With respect to stress, yes, your point is well taken. I know it is an ongoing process of education and study. I certainly appreciate the comments you have made with respect to the whole question of stress in the work place.

I wanted to get to Mr. Laughren because I think he had a point that concerns most of us on the board. He asked whether it is true that 50

claims officers quit without jobs to go to. I think Mr. McDonald wanted to answer that question.

**Mr. McDonald:** Excluding probationary staff who within the first six months decide to leave or who we decide are not suited for the job of adjudicator, we lost 24 through resignations last year. Of those 24, six were female adjudicators who failed to return from maternity leave. If you look at it that way, we lost 18. We also lost 22 through promotions to other jobs within the board. So the total figure is 46, not far from your 50, but there were only 24 actual resignations.

**Hon. Mr. Alexander:** Thank you, Mr. McDonald.

Mr. Lupusella, would you like me to continue with some of your questions?

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** Unless you feel Mr. Darnbrough should continue with rehab. You have a number of questions.

**Mr. Lupusella:** Yes. Maybe Dr. Mitchell can appear before us.

**Hon. Mr. Alexander:** All right. Dr. Mitchell, I think Mr. Lupusella's concern was about paying workers directly for prescriptions; apparently there is a problem there. As well, there is a problem, he thinks, with our approach to seeing to it that the clothing allowances due to injured workers are given in a reasonable time. Have you any comments on that?

**Dr. Mitchell:** I remember the opening statement a week ago Tuesday, I guess. You mentioned the clothing allowance and our commitment to you to look at a new form, which was given last year. We have indeed been working on a form.

**Mr. Lupusella:** Finally. Where is it?

**Dr. Mitchell:** I actually saw a draft of it, which I am sorry to say I do not have with me today. But one of the problems, as you may appreciate, is that there are two types of clothing allowance. One is for those who have had an amputation, have an artificial limb and wear out that leg, and that is a permanent allowance that is given and tied in with the regular monthly payment.

**Mr. Lupusella:** I have never heard complaints from people involved with this.

**Dr. Mitchell:** Right. That is one aspect of the story. The other aspect is braces for the back.

**Mr. Lupusella:** Yes. What do you call it, a Harris brace—

**Dr. Mitchell:** Harris brace.



**Mr. Lupusella:** —and a corset with a piece of steel.

**Dr. Mitchell:** The profession, I might say, is very divided on the value of persisting with a brace. There are those who feel that braces should not be worn, that they are bad because the muscles deteriorate, and there are those who feel they are beneficial.

Because we recognize that braces are not given for ever, the clothing allowance needs to be reviewed from time to time, and that is where your question comes. We feel it is important to review the need for that allowance and to send out a questionnaire.

**Mr. Lupusella:** Okay, but do you support the principle that the board should take the initiative in mailing out the questionnaire and from the questionnaire get an assessment of whether or not the person has to wear the brace?

**Dr. Mitchell:** That is right.

**Mr. Lupusella:** You do not have any objection to the principle of sending out the form.

**Dr. Mitchell:** No. I think we should initiate it, as you say.

**Mr. Lupusella:** On a yearly basis.

**Dr. Mitchell:** Or as often as we think necessary.

**Mr. Lupusella:** Because people apply for a clothing allowance every year.

**Dr. Mitchell:** Right.

**Mr. Lupusella:** At the end of 12 months they have to reapply. I want the board to take the initiative in sending the standard form with all the questions, which will give you a hint of whether or not the brace is really required to be worn.

**Dr. Mitchell:** We feel the emphasis should be on the individual because so many workers stop wearing the brace on their own. They find it not helpful.

**Mr. Lupusella:** Yes.

**Dr. Mitchell:** We feel that those who find they have to wear it for help should initiate the response from the board. They should say: "I am still wearing my brace. Please, may I have this clothing allowance continued?" You are saying that we should monitor it.

**Mr. Lupusella:** You should monitor it, send out the form and ask the questions you are looking for, and from the general questions you get the assessment. As well, on the basis of the nature of the accident, you are going to get an assessment that he really needs the brace.

**Dr. Mitchell:** I have to say that, on a manual basis, that is asking a lot of our staff. We feel it is

best at this time to leave it to the worker to apply. We were looking at a computerized follow-up form we could initiate by computer. If that were possible, then it would become cost-effective. In other words, we could print it out, send out a form and have it analysed.

So if you will forgive me, I have to disagree. I think if the worker wants the clothing allowance, he should take the time to ask us.

**Mr. Lupusella:** Do you foresee increased work for the people who process the applications for clothing allowance?

**Dr. Mitchell:** If we had to poll everybody who was given a clothing allowance, yes. If we had to initiate the action, it would be an increase.

**Mr. Lupusella:** If you have your own computer for the people already receiving the clothing allowance on a yearly basis and you also have the names and claim numbers of these people reapplying on a yearly basis, why do you not use the same approach in sending out the form?

**Dr. Mitchell:** As I say, at the present time it has to be done manually. If we were to do it by computer, it would be a cost-effective measure. Doing it manually takes a lot of adjudicators' hours that are occupied with other things.

**Mr. Lupusella:** If I may turn to the chairman, I think that whatever money would be spent to give a computer to Dr. Mitchell's department would be well spent on behalf of injured workers. I do not think either the employers or the people would complain about this extra expenditure.

I would like to see the system in place. It would speed up the process of sending money out to injured workers. Even though there is a disagreement concerning approach between Dr. Mitchell and me, I think you are achieving the same goal; people are reapplying and getting the allowance anyway.

If you have a computer, I agree with you that it will facilitate the process and will not increase the manual work. But on the issue of clothing allowance, you are dealing with people who are receiving a permanent disability pension in the first place, which is the first indication that the person has a back problem.

**Mr. McDonald:** Not all of them.

**Mr. Lupusella:** Give me an instance of when a person is receiving a clothing allowance who is not in receipt of a pension. Maybe you have other categories of injured workers who are receiving the clothing allowance without a pension.

**Mr. McDonald:** When an injured worker is receiving a clothing allowance, he is given a

letter by the pensions adjudicator explaining to him the method to go about applying.

**Mr. Lupusella:** I know that.

**Mr. McDonald:** That clothing allowance is built into his pension; it is not a yearly grant. It is built into his monthly pension; it is added on.

**Mr. Lupusella:** No.

**Mr. McDonald:** Yes, sir.

**Mr. Lupusella:** No. It is given in the form of a lump sum, unless—

**Mr. McDonald:** You are talking about two different things. You are not talking about one that is related to a permanent disability.

**Mr. Lupusella:** I am talking about the one related to the permanent disability award. On top of that, the clothing-allowance provision is paid by the board in the form of a lump sum on a yearly basis. Which one are you talking about? Are we talking about the same thing?

**Mr. McDonald:** No, we are not. I am talking about the one that is built in and is added on to his monthly pension and is shown as a separate amount.

**Mr. Lupusella:** No. There is no problem with that group of people. We still have a problem with the majority of people who are faced with a permanent disability award as a result of a back injury. They receive their monthly cheque on a permanent basis and they have to apply for a clothing allowance, which is paid by the board in the form of a lump sum. Why do you disagree with sending the form out to these people when there is a clear indication that there is a back injury and there is a permanent disability award?

**Dr. Mitchell:** They are given the form on the first visit at the time their pension is rated. There is no problem there; we agree on that.

**Mr. Lupusella:** Okay.

**Dr. Mitchell:** It is the follow-up that we are talking about. What I say is that those people, having been given the clothing allowance, if they continue to wear that brace—and a lot do not—surely it is not a hardship for them to say: “I am still wearing my brace. I would like to file for continuation of the clothing allowance.”

We cannot take all those who have gone through, write to them and ask them to send something back. It should be their initiative, I believe.

4:10 p.m.

**Mr. Lupusella:** Do you know why I am raising this issue, Dr. Mitchell? Millions of people living in Metropolitan Toronto are not related to your own culture. They do not know

how to write or read English. Maybe you are speaking of your own constituents who were born here and went to school here. They know how to apply and they know how to write a letter. But the majority of people living in Toronto do not know how to write or read English. I am talking about immigrants from other countries, and I am trying to facilitate the process on behalf of these people.

You might argue that they should not be so lazy in applying. If they knew how to write, I would agree with you; there would be no problem. But I am trying to facilitate the process of these people who go from one agency to another to have a simple letter drafted and sent to the board. Why do you have difficulty accepting this principle?

**Hon. Mr. Alexander:** I think your point is well taken. Dr. Mitchell has tried his best to explain. He said that in the initial step that information is given to the injured worker. The problem, if there is a problem, and you seem to think there is one, is that sooner or later in the process or in the steps—

**Mr. Lupusella:** Maybe the injured worker gives up waiting at that other place.

**Hon. Mr. Alexander:** Yes, but at the same time you are saying that, perhaps there should be an intermediate step somewhere to remind or to inform the injured worker, something to the effect, “Are you still wearing your brace?” “Do you want your brace?” or “What is the position now?”

We are back to the same problem when you talk of cultural background. We have the facility of speaking and communicating in some 40 different languages. It gets to be a problem to determine whether it should be in Italian, Portuguese, Greek or Swahili. I am not trying to make light of that. In view of your concern, I would think Dr. Mitchell would say we will look at this issue.

**Mr. Lupusella:** You were supposed to look at it last year.

**Hon. Mr. Alexander:** As he said, there has been progress made. What you are asking for now is another step, other than the original letter. It is a question of when we get involved in terms of reminding the injured worker that he is entitled to a brace and asking whether he is wearing it and whether he wants it.

**Mr. Lupusella:** Let us not confuse the issue. There is a problem about manual work, and I agree with you. You see how frank I am. Your major concern is the increase in manual work



involved in the board's taking the initiative of reviewing the file and trying to process the application; the increase in work for your department as a result of that initiative.

But such a process is already in place when the injured worker takes the initiative. Your department has to review the file, has to review the entitlement to clothing allowance and then the lump sum is paid to the injured worker. I think the work is there even though the injured worker takes the initiative of writing to the board.

I am concerned about the manual work, even though it should not increase because you are already doing what you are supposed to do on a manual basis, and I support the principle of using a computer. That should be there. You have the names of people who got pensions and applied for a clothing allowance. The follow-up process of sending out a form with several questions, asking how long they have been wearing the brace, is not a problem. The injured worker has the answer. If he answers that he did not wear the brace, it does not entitle him to the clothing allowance; so you have a full picture on whether the clothing allowance is required.

Along with the standard letter, you can easily say, "Go and see your family doctor and attach a medical report on whether you need a brace." This would be the evidence that would clarify in your mind, because as a profession you have a medical mind, that the person really needs a brace. The only thing the worker has to do is visit the attending physician and attach the report to the form.

Why is it so difficult to endorse such a concept? We do not want to give the money away without entitlement. You will have every assurance that the person is wearing the brace. You will have a medical report attached. The questions the worker has to answer will satisfy the medical profession at 2 Bloor Street East and you can send out the money. Why is it so difficult?

**Hon. Mr. Alexander:** I do not think it is so difficult. What the doctor was stating—he will check me if I am wrong—was that the department is aware of your concern, which I guess is legitimate. He said, if I have not misunderstood him, that they are working on something which will—he has just seen the grant—

**Mr. Lupusella:** No. He rejected the second part, I guess. We have to be clear. He endorsed the first part about temptations, but he rejected the second part of my concern. I am trying to convince him that is the same as the board is already doing on a manual basis.

**Dr. Mitchell:** Could I answer that? If 1,000 people were given a clothing allowance, we know approximately 500 would stop wearing them. Would it not be better to ask those 500 to send us a note to say they are continuing it, or should we go through the exercise with the whole 1,000?

**Mr. Lupusella:** Then we get into the problem of communication. The people who do not know how the system works, go crazy trying to find the right person to contact. It would help if the board were to take the initiative to alleviate this concern of ethnic injured workers.

**Dr. Mitchell:** You asked us originally about a form being worked on. It was held up when Bill 101 was being debated because we did not know which way the clothing allowance would go. However, now a final draft is approved. We have fulfilled that obligation. I guarantee we will look at the problem again, not from the form point of view but on whether we should get involved in follow-up. We will take the initiative.

**Mr. Lupusella:** Can I get a statement from the chairman endorsing the concept of a computerized system to facilitate the whole process?

Interjections.

**Mr. Lupusella:** You are already doing what you were supposed to do at any rate, but for the sake of efficiency I am supporting what you are suggesting.

**Hon. Mr. Alexander:** This is the kind of undertaking I will give you. If and when Dr. Mitchell comes to the board for the budgetary process, it will be given very serious consideration because it is very important. In the long run the system will probably be computerized, because our role is to see that the service to which the injured worker is entitled is effective. If and when Dr. Mitchell comes before the board, it will be looked at very carefully. Usually when these executive directors and people come before the board about budgetary planning, they get what they require unless we cannot afford it. I can give you that undertaking. Does that assist you?

**Mr. Lupusella:** I would not like to wait another year before seeing the system being implemented. I hope you will do that as soon as possible with the guarantees given by the chairman of the board.

**Hon. Mr. Alexander:** Can we move along? I do not want to cut you off. Did you answer the prescription part, doctor?

**Mr. Lupusella:** There is another problem about the prescriptions.



**Hon. Mr. Alexander:** Did you want that addressed now?

**Mr. Lupusella:** Yes, please.

**Dr. Mitchell:** What is the concern? I am not sure what you are getting at.

**Mr. Lupusella:** First, you have to explain the existing process at the board when a prescription is sent there.

**Dr. Mitchell:** One has to recognize that in our assessment of which prescriptions to pay for, we have to look at those related to the injury and those related to other noncompensable causes. That is where the crux of the matter is. For example, a patient may have had a previous ulcer in his stomach. He develops a back injury, takes a lot of aspirins to relieve the pain and the ulcer flairs again. His doctor then prescribes medicine for the ulcer. Sometimes it is not completely apparent to those who are adjudicating whether the problem is related to the injury and its treatment or whether it is something quite unrelated.

Often it is a matter of communication. We do see a number of letters from patients complaining of having asked for a drug which was not allowed, although it resulted from the injury and the medication. In most of those cases, it is allowed. The benefit of the doubt is given. There are some situations where patients will be quite incensed because their insulin is not being paid for by the board subsequent to their injury. It is their perception that everything is now being covered by the board, not just costs related to the accident.

4:20 p.m.

**Mr. Lupusella:** Can you explain why so many pharmacists are not willing to send the prescription to the board but want payment directly from injured workers? Maybe it needs some communication between board officials and pharmacists, particularly here in Metro. I do not know the overall situation across Ontario, but in Metro I know there are several pharmacists who do not want to deal with the board because of delays in payments for prescriptions. They are requesting money from the injured worker, and he or she has to submit the bill to the WCB for payment.

Is there any way you can improve the profile of the board among pharmacists so they will send their bills to the board for payment instead of getting the money from injured workers and eliminate the delays that have been part of the criticism before this committee?

**Dr. Mitchell:** The pharmacists are paid a fee for prescribing a drug. It may be that they find

they can charge a better fee to the individual than by applying to the board. I do not know the answer to that, quite frankly.

**Mr. Lupusella:** What kind of fees do you have?

**Dr. Mitchell:** I cannot tell you that offhand.

**Mr. Lupusella:** Is it based on the nature of the chemical composition of the medication?

**Dr. Mitchell:** It is a prescription fee for prescribing a medication. I cannot tell you that fee off the top of my head, but it is negotiated; it is adjusted to the cost of living. I could find that out fairly quickly, but I do not have it at my fingertips.

**Mr. Lupusella:** Is there any way the board can undertake a program with pharmacists here in Metro to speed up the payments? A lot of pharmacists do not want to deal with the board because of delays in payment. If you do some public relations, with letters or pamphlets, maybe the profile of the board will be changed in the pharmacists' minds.

**Hon. Mr. Alexander:** I thought we had some rapport with the pharmacists, as we have with the Ontario Medical Association, the chiropractors' association and a number of other associations. What you have suggested does make sense. I am sure Dr. Mitchell does write articles in periodicals from time to time, and we are all in touch with these various segments of the health treatment agencies. I can see no reason why Dr. Mitchell would not want to upgrade or enhance the program he has now with respect to reaching all these various individuals, one of whom is the pharmacist. I am sure he will look into that, but we do have an ongoing process.

**Mr. Lupusella:** There is an image of delay in payment of the prescription fee. Maybe there is some work to be done to clear the situation so that when injured workers go to a pharmacy the pharmacist will take the initiative to refer the prescriptions.

**Dr. Mitchell:** There is a point that needs to be clarified. We certainly will look at it. Part of the reluctance may be that the pharmacist does not know whether the board is eventually going to say this drug is related to his compensable injury. I can understand that. The pharmacist may say, "I do not know if this is something you have been taking for years, and the board is not going to pay for it."

**Hon. Mr. Alexander:** Yes, that is a very important point.

**Dr. Mitchell:** That may be the problem here. I do not think you can get around that. A

judgement has to be made at the board's office on whether a drug is permitted.

**Mr. Lupusella:** I understand the process, but perhaps the pharmacist can spend a few minutes—they usually do—clarifying the content of medical prescriptions by calling the family doctor.

**Dr. Mitchell:** I do not see that as the problem; it is whether that drug is part of the treatment for that compensable injury.

**Mr. Lupusella:** If there is a fault, then it is to be placed on the family doctor who prescribes the medication.

**Dr. Mitchell:** No. He is treating the whole patient. He has to prescribe what is required for the whole patient, part of which may be compensable and part of which may not be. When the prescription goes to the pharmacist, he says, "Heck, I do not know which one."

**Hon. Mr. Alexander:** You deal with the whole person, Mr. Lupusella; so when a person attends at the pharmacist he will be given all sorts of pills, medication and what not. I do not know whether the pharmacist asks, "Is this on behalf of your job injury?" I think that is what you are getting at.

I do not know how we answer that question. If a person walks in with a prescription, the pharmacist will fill it. Then the question is, for what is he paid? He will not get paid for something that is not related to the injury or the disability.

I guess that is the problem. I do not know how you siphon that out on the lower level. I have received letters where people have asked for payment for more than \$150 worth of prescriptions, but when I get the letter back it says, "Yes, he is entitled to money, but only \$50," so the other \$100 is out.

At this time, Mr. Lupusella, I would like to bring something else to your attention. You asked why you had not been provided with a copy of the 1981 pension survey when it had been promised.

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** Mr. Cain has that for the committee at this time. Then I think you wanted an organizational chart.

**Mr. Lupusella:** Yes.

**Hon. Mr. Alexander:** We have both of those, which we will table now.

I am trying to run through a few more important matters here. There was something about employers discriminating on the basis of disability; in other words, they would not hire. I think there was some question of when or

whether we could take the initiative. Prior to the introduction of Bill 101 and that specific section, there was room for debate on what we could do. I think Mr. Darnbrough would like to address that.

**Mr. Lupusella:** Now you have the leverage.

**Hon. Mr. Alexander:** Yes. We will have the leverage, but I think he wants to direct his attention to this question right now.

**Mr. Darnbrough:** Mr. Chairman, Mr. Haggerty, Mr. Laughren and Mr. Lupusella raised this as one of their concerns; so it is worthy of explanation for a moment or two.

Prior to Bill 101, we had taken the initiative to train all our vocational rehabilitation field counsellors on the changes that took place in the Human Rights Code approximately three years ago. In fact, most of the staff at the board were familiarized with the changes. Our position was that we wanted to be able to advise injured workers of their entitlement and rights under the Human Rights Code. We also wanted to be able to help employers understand their obligations.

The change that has taken place makes specific reference to workers' compensation in that the subsection that will be contained in the Human Rights Code now will read: "An injury or a disability for which benefits were claimed or received under the Workers' Compensation Act."

What Mr. Alexander is saying to you is that this gives us an opportunity to take a slightly more proactive position than we have in the past. We are looking at ways of carrying this message to employers through the media, through the advertising we do in community blitz campaigns, for instance, and through the pamphlets and brochures we produce for the information of injured workers.

What we are saying is that the board now is in a position to take a more active role, and we intend to do so.

**Mr. Lupusella:** Maybe you can send me other advice.

**Hon. Mr. Alexander:** Time is running out, but I think we have time for another one.

We have documented all the possible questions raised by the members. We will write to you, Mr. Chairman, or the individual members, depending on which approach is more acceptable, in answer to all of them.

I am on Mr. Haggerty's case right now; what would happen if clinical pensions were commuted at age 65?

We have all these down. We will attempt to get the answers back to you, sir, and from you to the committee for distribution.

**Mr. Chairman:** If they come to the committee in care of the clerk, the clerk can then distribute them to all members of the committee.

**Hon. Mr. Alexander:** We have a number of questions from Mr. Laughren: Linking pensions and vocational rehabilitation. How can a worker suffer a drop in welfare benefits when going from temporary total disability to supplement-plus-pension? Why does the board not decentralize the pension department into regional offices? Regional medical adviser makes a ruling by reading the file without examination of white-hand syndrome.

There are a number of questions still outstanding, and I undertake on behalf of colleagues that they will all be answered in due course, I hope; it usually is the case. In the very near future we will go back to the drawing board, and various staff will become involved; we should have responses in another month or so.

**Mr. Lupusella:** If I am the critic in the future, I will request more sittings; so be prepared. Instead of five, we should end up with 10, for sure.

I got an assurance from Mr. Cain that I will get my WCB policy board votes. I want to be on the record with such a request. I am the critic, and I know copies have been distributed by the board to some of my colleagues and I did not get one. Therefore, I wanted to record a request in Hansard so I will be certain to get this policy book as soon as possible.

**Mr. Cain:** Mr. Haugh and I assure you that you will get copies.

**Mr. Lupusella:** Okay.

**Mr. Chairman:** On behalf of the committee, I would like to thank Mr. Alexander and his colleagues for appearing before us. I know the committee members presented a lot of questions to you and, of course, you are committed to get replies back in writing. We did not allow you enough time to respond.

**Hon. Mr. Alexander:** I am glad you put it that way, sir.

**Mr. Chairman:** I thought I should.

Until next year, the committee is adjourned.

The committee adjourned at 4:32 p.m.

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Darnbrough, A. J., Executive Director, Vocational Rehabilitation Division

McDonald, J. F., Executive Director, Claims Services Division

Mitchell, Dr. R. I., Executive Director, Medical Services Division















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